

# Workforce Landscape Assessment

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CITY OF NEWARK, NEW JERSEY

**Conducted by**

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**For**

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# Author's Note

I WANT TO EXPRESS MY APPRECIATION and gratitude to the members of the Newark Workforce Development Landscape Assessment Steering Committee for their guidance, insights, suggestions, and support through nearly three months of research, interviews with workforce system stakeholders, and on-site observations that resulted in this final report of the Workforce Landscape Assessment of the City of Newark.

This report is intended to offer an objective and accurate view of the current workforce system and some recommendations that may lead to the resolution of many of the challenges the system and its providers face in trying to deliver the best training and employment opportunities for all of Newark's residents. The report does not necessarily reflect the opinions, observations, concerns, findings, or recommendations of the members of the Steering Committee. I take full responsibility for the contents of the report.

Robert Stokes  
February 2002

**The members of the Newark Workforce Development Landscape Assessment Steering Committee are:**

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# Executive Summary

**Executive Summary**

What is a “workforce development system?” It is a web of organizations, institutions, agencies, and businesses that identify, recruit, place, and retain people in jobs who face barriers to employment and to realizing their economic potential through employment. In Newark, New Jersey, this assessment therefore looks most concertedly at the ability of low-income persons to get and succeed in sustaining employment.<sup>1</sup>

The hopeful features of workforce development landscape in Newark, New Jersey, in 2002 are a growing economy and expanding employment base both in the city and surrounding region. It is a pattern that has continued since the mid-1990s. Despite the attacks of 9/11 and the economic downturn that began in 2001, most observers predict the continuation of these trends. In contrast, the Newark landscape also features stubbornly entrenched poverty that continues to degrade the lives of thousands of Newark residents and prevents the City of Newark from achieving its potential of economic success and social justice for its citizens and the region at large.

The economic vitality of Newark and the region represents a unique opportunity to all workforce stakeholders and citizens to begin the task of breaking down the barriers to good jobs and career advancement for all City residents. This assessment identifies some of the barriers that are holding back the City and its citizens from achieving these goals. It also acknowledges the efforts and attitudes of stakeholders from every sector of the City who not only sense the opportunities at hand and the imperative to seize this moment in the City’s history, but are taking steps to make these goals a reality. Business organizations, government agencies, educational institutions, and not-for-profit community groups are leading these efforts.

Last year, the New Jersey Institute for Social Justice, the Newark Community Development Network, and The Enterprise Foundation, working with a group of knowledgeable stakeholders, commissioned and oversaw this landscape assessment of Newark’s workforce development system to attempt to identify strategies and best practices that could expand on these efforts. The name of the group that provided advice and oversight to this assessment is the Newark Workforce Development Landscape Assessment Steering Committee. (See page 4 for Steering Committee membership).

Throughout the specific findings and recommendations of this assessment, three themes echo loud and clear:

- There is an urgent need for practical, productive communication and collaboration among the multiple sectors needed to make the Newark workforce system effective.
- Where there are strong or promising resources and assets, build on them, and where there are not, establish them.
- Identify, adapt and experiment with workforce best practices operating in other urban settings across the United States.

Before delving into this report in detail, it is important to emphasize that the views of the author are not necessarily those of the Steering Committee. Although it often directs a critical look at the current situation, the report is not intended to cast blame for the perceived shortcomings of the workforce system. It is an effort to identify strategies and opportunities for creating a productive and efficient workforce system that serves all of the Newark’s citizens.

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<sup>1</sup> At the same time, the assessment could have justifiably devoted far more attention on challenges faced by currently employed Newark residents who want to more fully tap into opportunities in the city.

Although the landscape assessment's central focus is on connecting high-barrier individuals to meaningful employment opportunity, that should not obscure the fact that the overall Newark labor force is exceptionally productive and represents one of the City's most powerful economic development assets. Newark's secondary and post-secondary schools annually produce substantial numbers of highly capable graduates in business, science, technology and computer sciences, law, health care, architecture and planning, and the liberal arts. As the global economy increasingly relies on knowledge capital to achieve competitive advantage, these institutions will grow in importance to everyone in the city. Indeed, these local institutions are in part responsible for more than 110,000 Newark residents who are working, creating value for employers, sustaining their families, and creating wealth for the City every day. The strength of this labor force and its institutions helps to bolster our confidence that an effort to reach the approximately 5,000–6,000 individuals still seeking opportunity can and will succeed.

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THE PRIMARY objective of the assessment is to produce a set of actionable recommendations for Newark stakeholders in the public, private and non-profit sectors to consider, adapt and implement in order to elevate the performance of the workforce system.

The primary objective of the assessment is to produce a set of actionable recommendations for Newark stakeholders in the public, private and non-profit sectors to consider, adapt and implement in order to elevate the performance of the workforce system. It was researched and written by Robert Stokes, President of RSS Associates, a national workforce development consultant after a period of on-site interviews, literature review and data collection.

Successful urban workforce development systems reflect the particular culture, circumstances, and the leadership of the cities in which they exist. Nevertheless, these systems do share three basic elements:

- A dynamic business sector committed to collaborating with the local workforce system to design and deliver training programs that provide job-ready and qualified city residents, and a willingness on the part of these employers to hire qualified local residents to meet its labor needs.
- An effective and motivated provider collaborative committed to training, placement, retention, and advancement that has gained the confidence of local employers and the support of the city leadership.
- A performance-based, employer focused, and adequately staffed Workforce Investment Board that is held accountable to its service providers and clients, and has the financial and leadership support of the city.

None of these components can be implemented and or have an impact without the participation and commitment of every sector within a city that touches or influences employment opportunities. That includes government agencies, business, workforce training organizations, unions, political leadership, not-for-profit organizations, and education institutions. Groups and organizations that are doing good work – there are many in the City of Newark – are challenged to link more effectively into the workforce system and to demonstrate the efficacy of their work.

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## “ALL NEWARK” commitment is the most crucial element of success in forging a productive and efficient workforce system.

Of the highlights listed below and discussed at length in the report, this “All Newark” commitment is the most crucial element of success in forging a productive and efficient workforce system. Newark possesses strong and vibrant companies, concerned citizens, committed neighborhoods, and effective agencies. It is vitally important that each of these entities’ performance and capacity continue to grow. But the most important multiplier of employment opportunity over the long haul will come from the crafting and sustaining of linkages of information and collaboration among all workforce stakeholders in the City.

As this assessment will indicate, Newark possesses some aspects of the urban workforce system model – primarily, the work of several effective service providers that offer excellent training and job placement support to job seekers and employers. But the system could be improved in the following areas:

- 1. EFFECTIVE WORKFORCE** systems reach optimum potential by practicing **Communication, Collaboration, and Cooperation on a Continuous basis**. The “Four Cs” should be an operating policy for any workforce group that finally emerges to help develop a fully integrated Newark workforce system. Key participants in this system include business and business recruitment workforce development agencies and local, county, and state government.
- 2. THE MARK** of an effective Workforce Investment Board is an **engaged local business community**.<sup>2</sup> Their role includes helping to design, deliver and provide feedback to the WIB and service providers about its performance. There needs to be greater accountability, staff training, funding, direction, and leadership by and for The Newark Workforce Investment Board (WIB).

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<sup>2</sup> Workforce Investment Boards or “WIBs” are mandated by the Workforce Investment Act (WIA) of 1998. WIBs are composed of representatives from business, government, and the workforce provider community. In addition, by providing general input to local governments on workforce issues, they also have a formal role in the allocation of training funds. The Boards replace private industry councils (PICs) under the Job Training Partnership Act (JTPA), the Federal Workforce regime preceding the WIA.

**3. AN ACCURATE PERFORMANCE measurement system** is needed to capture job placement, retention and customer satisfaction data. Otherwise, the local Workforce Investment Board (WIBs) cannot identify and provide continuous improvement in the system. A better system of data collection needs to be implemented by the One-Stop Career Centers with more oversight by the Workforce Investment Board.

**4. A KEY FACTOR** in the performance of a workforce system is the success of its **job placements and retention strategies** for job seekers with barriers to employment. Newark's data reflects the need to implement an enhanced strategy for job placement and retention case management (a minimum of 12 months) of Work First New Jersey recipients and other job seekers with barriers to employment.

**5. WORKFORCE DEVELOPMENT** organizations, especially those operating at the highest productivity and creative capacity, must be constantly challenged to move to a higher level. One of the most effective ways of generating new strategies and ideas is to form **“alliances” or a “collaborative” of service providers**. These associations are critical vehicles for sharing information; developing training about key aspects of the workforce process; providing technical assistance to the group; and providing a united voice that can enable the group to lobby for system change and improvement. The Essex County College's Training Inc. has begun the nucleus of such an alliance that could be used to form an effective workforce resource. The group would not replace the local Workforce Investment Board, but would exist as a supporting entity with a broader stakeholder representation and no specific mission except to improve the quality of the local workforce system by whatever means possible. This proposed group – the Newark Workforce Partnership – would continue to operate as long as its policies and performance resulted in better training and job opportunities for Newark residents.

**6. SECTORAL INITIATIVES** directly tap into Newark's strongest economic engines, and help those with only entry-level skills or other barriers to advancement to begin climbing a career ladder out of poverty.<sup>3</sup> They are essentially partnerships between businesses and others in the workforce system to prepare and support entry-level workers so they can progress up career ladders in growing industries. Several promising sectoral initiatives have begun in Newark and these should be supported, strengthened, and expanded.

**7. INFORMATION SHARING**, technical assistance and training all contribute heavily to the workforce system's performance, but **without adequate and well-targeted funding**, real progress will not be possible. Several recent successful grant applications are hopeful signs, but resource development and performance tracking have to become systematically stronger to gather the funding needed for the workforce system to function and to ensure that the funding goes where it will do the most good.

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<sup>3</sup> Sectoral initiatives are collaborative efforts in which workforce providers and employers in targeted industries, chosen because of their potential to generate a substantial number of “good jobs,” devise programs to connect entry-level job seekers with businesses and to support the progression up career ladders to higher compensated positions (For a detailed explanation of “sectoral initiatives,” please see page 45).

**8. WHY REINVENT THE WHEEL** when there are plenty of excellent models with superb track records on display? For every specific workforce issue – from intake and assessment to soft skill training, job development, placement, retention, and career advancement – **there is a national model that can be identified and adapted for use in Newark.** In particular, there are several models that could be used to address major barriers to employment for Newark residents including those with criminal records, substance abuse, and literacy deficits.

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STAKEHOLDERS from all sectors of the workforce development system have endorsed the suggestions in this report as feasible, doable, and valuable.

In conversations and interviews, stakeholders from all sectors of the workforce development system have endorsed the suggestions in this report as feasible, doable, and valuable. To the extent leaders from key institutions join together to move ahead, it will be possible for Newark to offer its residents dramatically expanded employment opportunities for the first time in decades. This report is put forward partly as a description of the workforce landscape as it exists, but, most importantly, it asks these leaders to join together to reshape this landscape and to begin now.

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# Introduction

## Introduction

### A. Background

This assessment was the culmination of more than a year of discussion by representatives of local, statewide, and national nonprofit organizations who came together committed to improving the workforce development system of the City of Newark and expanding employment opportunities for Newark residents. The group met in early August, 2001 to finalize discussions about doing a “landscape assessment” of the Newark environment as a step toward developing an effective, community-based employment strategy. The Newark Community Development Network had led the effort to persuade the City Council to approve a “First Source” employment ordinance that was formally adopted by the Council in October 2000. In addition, the New Jersey Institute for Social Justice had commissioned a report detailing implementation options for this ordinance drawing on good practices elsewhere. The group felt that information gained from a comprehensive assessment of Newark’s workforce development system would assist them in their efforts to get the “First Source” ordinance implemented as well as establish an effective workforce system.

### B. Purpose

The purpose of this project was, within a time frame of eight weeks, to research, review, and assess the workforce development system currently operating within the City of Newark, New Jersey. The assessment was to identify actionable recommendations in response to the challenges and opportunities facing employers, service providers, job seekers, and the local Workforce Investment Board (WIB), which is funded and supported by the Mayor’s Office of Employment & Training (MOET). Geographically, the primary focus of this study was Newark, but the assessment also included a review and brief assessment of the Workforce Investment Boards in the neighboring counties of Union and Hudson as well as Newark’s own county of Essex to identify shared workforce challenges and assets in the region. Once the research was completed, the findings were analyzed and recommendations were developed to assist the process of enhancing the effectiveness of the system for all participating entities and individuals.

### C. Methodology

Robert Stokes, President, RSS Associates, a national workforce development consulting firm, was retained to conduct the landscape assessment of Newark’s workforce system by three entities: The New Jersey Institute for Social Justice; The Newark Community Development Network; and The Enterprise Foundation. In the course of completing this assessment, Mr. Stokes, in collaboration with staff from The Enterprise Foundation:

- Conducted more than 50 interviews, in person and by telephone, with employers, training vendors, nonprofit service providers, City officials and staff, Newark and regional Workforce Investment Board officials, the Newark Economic Development Corporation (NEDC, or its successor, if any), educational institutions, and officials with the New Jersey Department of Labor’s Division of Employment & Training.

- Gathered and reviewed labor market and other demographic data from state and local economic and workforce development sources regarding Newark, Essex County and regional Workforce Development systems.
- Conducted an Internet search of data relevant to Newark's workforce systems and national best practices in various aspects of workforce development that may be adapted to the Newark workforce system.
- Met three times with the Newark Workforce Development Landscape Assessment Steering Committee to discuss preliminary drafts of the final report, including a comprehensive review of the findings and recommendations section, and to incorporate changes, revisions and observations by members of the Committee.



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# The Newark Workforce System

## A. OVERVIEW

Newark has made one of the most dramatic economic comebacks of an American urban center in modern times. In the aftermath of the 1967 riots, the City's economic fortunes suffered a free-fall that resulted in a loss of nearly 90,000 jobs and an exodus of more than 100,000 residents. But something happened, in the midst of what seemed to be an irreversible economic decline, some of Newark's largest employers decided to reinvest in the City and its infrastructure; New Jersey's major academic institutions started to build campuses in the center of the City; the private sector spearheaded a program of downtown office space refurbishment; nonprofit neighborhood groups led the initiative to bring new and renovated housing back to the City; and, the City Administration and its Economic Development Corporation took the lead to encourage relocation of major companies in the telecommunication and financial industry to the City's downtown business district.

These actions that began in the late 1970s and 1980s signaled the first steps on the road to an economic renaissance in the Central Business District and in some – though not all – of the City's 21 neighborhoods. The economic and community development revival began to show the first fruits of its labors with the completion of Gateway Center, a \$25 million commercial, office and hotel project situated between Broad Street and Penn Station in the early 1990s; the opening of the \$180 million New Jersey Performing Arts Center (NJPAC) in 1997; the new \$33 million Riverfront Bears & Eagles Stadium; and the relocation to Newark of three of the top four telecommunications firms in the 1999 Forbes ASAP Dynamic 100 list – Qwest, MCI/Worldcom, and IDT. These firms joined Verizon; a division of Lexis-Nexis; and a growing number of information technology companies in a city ranked in the top quarter of Yahoo's list of America's Most Wired cities.

Despite the events of September 11 and the national economic retraction that began early in 2001, the City's economic revival remains vibrant. Bricks and mortar investment in Newark between now and 2010 is estimated to be several billion dollars including the \$1.6 billion Abbott School construction project, and 1,600 residential units to be built in downtown Newark over the next five years. The addition of new, affordable housing for various neighborhoods, the relocation of large retail stores into the central areas of the City, and the school construction funds are all a tribute to the vision of Newark's civic leaders and the relentless efforts of a broad range of community-based organizations in Newark who are committed to their neighborhoods and to helping residents find quality jobs and move toward self sufficiency.

With all of these positive economic indicators, Newark must still come to grips with a series of workforce and socio-economic challenges:

- The unemployment rate (prior to September 11) stood at 9.8% – which was more than double the New Jersey and national averages. That figure does not reflect those individuals who have stopped looking for work. A substantial percentage of neighborhood residents live at or below the poverty line. In some neighborhoods, the actual unemployment rate would be in double digits if measured at that scale.
- While crime and unemployment rates are both down more than 50% compared to a decade ago, Newark still needs to solve the problem of literacy deficits and school dropout rates (more than 40%) of its youth.
- Despite federal and state Workforce Investment Act (WIA) and Work First New Jersey (TANF) funding (the highest of any city in the state) the Newark Workforce Investment Board (WIB) falls short of the state's performance measurement of 60% job placement rate for welfare recipients.
- The Newark WIB has not yet developed an effective method of follow-up to determine whether those who are placed in jobs are remaining long-term. The Newark WIB also has a large discrepancy in the performance measures of its training vendors compared to the vendors' own statistics.
- There are large numbers of adult residents with severe personal barrier issues such as substance abuse, criminal records, large child support arrears and literacy deficits who appear to be falling through the system's cracks and are not being given the opportunity to make the transition to jobs and career opportunities. Businesses often decline to hire individuals with these barriers.
- The City of Newark, to its credit, developed a Comprehensive Economic Development Strategy. This strategy, however, remains on the drawing board. And there is no unified master plan that symbiotically links economic and workforce development throughout the City. Without this linkage, Newark will find it difficult to reduce its unemployment numbers and provide employment opportunities for all of its residents.

## B. DEMOGRAPHICS<sup>☆</sup>

The following are some key demographic indices which help further develop the profile of Newark and Essex County:

### 1. Newark

Population:	279,998	Total households:	90,502
Labor force:	131,499	Single head of household:	27,252 (28.7%)
Employed:	120,991	Children under 18:	16,862 (20.4%)
Unemployed:	11,857 (9.8%)	Median household income:	\$29,706
Per capita income:	\$12,576		
Occupied housing units:	90,502		
Owner occupied units:	22,964 (25.4%)		
Renter occupied units:	67,538 (74.6%)		
Individuals in poverty:**	74,053 (26.5%)	Children under 18:	37.2%

### 2. Essex County

Population:	793,633	Total households:	283,736
Labor force:	388,976	Single head of household:	57,750 (20.4%)
Employed:	367,631	Children under 18:	31,467 (11.1%)
Unemployed:	21,345 (5.5%)	Median household income:	\$46,818
Per capita income:	\$25,474		
Occupied housing units:	279,065		
Owner occupied units:	93,211 (33.4%)		
Renter occupied units:	154,133 (55.2%)		
Individuals in poverty:**	137,298 (17.3%)	Children under 18:	36,549 (18.7%)

\*Source: NJDOL, 2000. \*\*Source: NJDOL, 1997. Based on estimated median household income for Essex County.

## C. LOCAL AND REGIONAL LABOR MARKET

Prior to the events of September 11 and the softening national economy, the employment picture in the northern region of the state was strong. In 2000, seven out of every ten new jobs in the state were created in the region. The Newark labor market area (Essex, Sussex, Morris, Union, and Warren counties) posted the largest increase in jobs (21,000) of any area in the state. Employment in the Newark area for the same period also grew at a record 2.2% percent pace, faster than any year in the economic expansion just ended. Despite the current economic retraction, the northern region of the state will continue to grow in employment and revenues. This growth is fueled by the construction and service sectors, due to the exodus of companies from Manhattan to Jersey City, Hoboken and Newark that began before the World Trade Center terrorist attacks of September 11.

### **1. Newark/Essex County**

The construction and service sectors should continue to lead the way in job opportunities, income growth, and self-sufficiency potential for job ready residents for the next 5-10 years. Bricks and mortar investment in Newark alone has been estimated to be \$12-14 billion between 1995 and 2010. Those projects include: the \$1.6 billion Abbott School construction funds for building 45 schools and renovating 30 existing ones throughout the City's 21 neighborhoods; \$1.5 billion Newark Airport Global Gateway & Capital program; \$400-500 million in new private housing; a \$300 million Newark NBA/NHL downtown sports arena, which recently gained the support of New Jersey's Governor Jim McGreevey. There are also proposals on the drawing board for new hotels in and around the City of Newark, including a hotel/conference center on a 50-acre tract of land near Newark International Airport and continued refurbishment of downtown office space. The demand for new workers in the City's growing high tech and information technology sector will also continue to provide employment opportunities for local residents.

### **2. Hudson County**

For the past several years, Hudson County has been in the midst of a construction boom – new office space and luxury residential housing – that has begun to increase county payrolls with relocated jobs in finance, insurance and business services while creating new jobs in retail trade and personal services. The County's \$1.1 billion Hudson Bergen Light Rail Transit System (HBLRTS), which opened in April, 2001 will be a greater attraction to businesses and individuals wanting to relocate from New York City to the County's waterfront location.

The waterfront has been transformed in the past decade to a sprawling gold coast of office towers, high-rise luxury housing, and retail establishments. New office space at three major sites (Newport, Colgate Center, and Harborside Financial Center – all served by HBLRTS) has increased the county's stock of class A office space by nearly two million square feet. Companies that have relocated to these sites include Lord Abbott & Co., American Express, National Discount Brokers, Cigna Insurance, US Trust Co., and PaineWebber. As a result, the number of jobs in the finance/insurance/real estate (FIRE) and services in the labor area increased by nearly 3,000 in a 12-month period. The influx of new workers has also fueled demand for new restaurants, super markets and retail establishments.

The County's unemployment rate stood at 6.1% out of a workforce of 288,700 in May 2001. Despite the continued economic growth in 2002, the county has pockets of higher unemployment among its inner city communities. Based on 1997 median income estimates, 17.1% of its residents and 28.6% of its children live below the poverty line. Its median household income is \$34,848, more than \$13,000 less than the state average of \$47,903.

### **3. Union County**

Union County is more suburban in character than Essex or Hudson counties, and far more affluent than either of its neighbors. Its employed labor force registered 256,400 in May 2001 with an unemployment rate of 4.2%. Its median household income in 1997 was \$50,254 with 9.3% of its adults and 15.4% of its children below the poverty line.

Retail trade, customer service and construction are the primary engines of growth in the county. New retail stores at the newly constructed Aviation Plaza Shopping Center (Rt. 1 in Linden) included Home Depot and Target. A Best Buy outlet in neighboring Morris County, and Expo Design Center in Union also opened this past year. Merck & Co's multi-discipline science building was recently completed in Linden. Other contributions to payrolls in the services division were openings of a hotel in the neighboring town of Morris Plains, in Morris County and REXPLEX, an indoor sports amusement facility offering indoor and outdoor playing field at the Elizabeth Center at Exit 13 A on the NJ Turnpike.

The county continues to place many of its residents in the retail training skills program at the Jersey Gardens Mall in Elizabeth. The center trains approximately 500 individuals a year for jobs in the Mall. Union County should get its share of construction job opportunities in the coming year due to a number of ongoing development and infrastructure projects. The redevelopment of Linden Municipal Airport, the construction of a proposed \$590 million natural gas power plant, and dredging projects at Port Newark/Elizabeth are ongoing.

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THE CITY OF NEWARK has a highly committed and dynamic set of employers, entrepreneurs, academic institutions, and business organizations.

## D. MAJOR EMPLOYERS

The City of Newark has a highly committed and dynamic set of employers, entrepreneurs, academic institutions, and business organizations. All of them have contributed to the City's economic revival. That list includes The Prudential Insurance Company of America; Port Authority of NY-NJ; Continental Airlines; PSE&G; Verizon; MBNA Bank; CIT Group; the law firm of McCarter & English; the City's four major hospitals; its five colleges and universities, and countless others. While the assessment focuses its attention on the private and non-profit sectors, it does so bearing in mind that the public sector, including local and county government as well as the school board, represents a substantial, if not necessarily growing, pool of employment opportunities for Newark residents at a variety of skill levels and job categories.

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WHILE ENTRY-LEVEL jobs are a logical starting place for many job seekers with few vocational skills, these positions rarely provide the financial ability for employees to support their families.

### **1. Most promising entry-level job sectors**

While entry-level jobs are a logical starting place for many job seekers with few vocational skills, these positions rarely provide the financial ability for employees to support their families. There are some sectors in the Newark region, however, where low-income job seekers can climb a ladder of advancement to better wages. Some of these sectors include:

*Construction trades.* The \$1.6 billion Abbott School Construction initiative should create thousands of jobs for skilled and apprentice trades people. MOET is taking the lead to oversee a proposal that would link two separate training programs for those interested in entering the construction industry. One program would focus on youth, the other on adults. The Essex County Construction Careers Program, sponsored by the NJ Institute for Social Justice and managed by Rebecca Doggett, has already established a 10-week pre-apprenticeship training program to prepare individuals for the admission tests required by the trades unions. The program produced its first twenty-five graduates last summer, six individuals were accepted into the trades and the balance will be in the spring of 2002. The next training began in February 2002. About 50 youths registered to take the training. The Newark Housing Authority has also established a construction trades apprenticeship program for residents and is collaborating with a local labor union.

*Healthcare/hospitals.* The health sector is traditionally one of the occupations in demand across the United States, especially in the large urban areas where many of hospitals are located. Newark has five hospitals within the City, including three teaching hospitals that hire part-time and entry-level workers who aspire to health care careers. They include: UMDNJ-University Hospital, Newark Beth Israel Medical Center, Columbus Hospital, St. James Hospital and St. Michael's Medical Center. It's estimated that these five hospitals have several hundred vacant positions at all times, though many positions require 8-9th grade literacy levels and some pre-training from an accredited training provider.

*Transportation.* This is a major source of jobs for Newark residents and has been for the past two decades. Primary employers are Continental Airlines and the various retail shops and restaurants located at Newark International Airport. Mary Darden, Executive Director of the Council for Airport Opportunities, reported placing 1,300 job seekers last year and says the demand for workers has tripled since September 11. Job seekers must pass a drug test and not have a criminal record to be hired. Port Newark-Elizabeth Marine Terminal is another option for jobs but union cooperation is essential. New Jersey Transit also generates significant numbers of entry-level jobs for local residents. According to a NJ Transit official, there are constantly 100-120 entry-level jobs available, but a drug test and lack of a criminal record are also required. The biggest problem of new hires is their rapid attrition rate. The majority of workers who are hired quit or are fired for chronic absenteeism after 30 days.

*Retail/customer service.* The number of service jobs is growing, especially in Newark's Central Business District. Since the New Jersey Performing Arts Center opened in 1997, new restaurants and other retail stores have sprung up. There are more than 100 jobs that are constantly available at the Jersey Gardens Mall's National Retail Skills Training Center in Elizabeth. According to Sarah Conrad, Training Center Director, the Training Center trains about 500 individuals a year with an 85% graduation rate and 62% placement rate; 25% of the graduates are Newark residents. The center is not required to track retention.

*Information technology and communications.* Judging by activities in the University Heights Science Park, Newark is building a high-tech business base that includes Qwest, MCI/Worldcom, and IDT, three of the top four telecommunications firms in the U.S. They are joined by Verizon's New Jersey headquarters; Mathew Bender, a division of Lexis-Nexis; Ameritech, IX Net; and IXC Communications. MBNA Bank just opened a new regional call center in the downtown area that provided 300 jobs for local residents who demonstrated basic communication skills. Newark's IT sector is enhanced by the presence of New Jersey Institute for Technology (NJIT), one of the most wired public universities in the U.S. NJIT is a partner and the designated training provider in a federal H-IB-funded incumbent worker-training grant with MOET and several other county WIBs.

## **2. Employer attitudes about Newark workforce system**

While local employers have hired only limited numbers of City residents, the lack of trust and reliability in the local workforce system seem to be a predominant factor in hiring decisions. Interviews with more than a dozen employers and members of local business organizations reflected the following reasons for the low numbers of local hires:

*Lack of communication and coordination.* Employers cited a lack of communication and collaboration among the Workforce Investment Board and training/employment providers.

*Inadequate life skills preparedness for new hires.* This is a common refrain heard from most employers regarding new entry-level hires referred by the One-Stop Career Center system. Issues that come up after the person is hired include unprofessional behavior in the workplace, a lack of conflict resolution skills, chronic tardiness, and absenteeism.

*Lack of retention services.* Another factor leading employers to pause before hiring City residents is the lack of retention follow-up services and the attendant high turnover rates. A human resources staff person with New Jersey Transit said the company makes an "active effort to hire City residents, but 50 percent crash and burn after 30 days on the job." The official says part of the problem is the lack of job placement follow up by a case manager or counselor with the new employee.

*Negative Stereotypes.* Despite the downtown revival of the last several years, decades of disinvestment and impoverishment have given to Newark an image dominated by the classic symptoms of urban decline: criminality, substance abuse, poor schools, and a large segment of the population who languish on public assistance. Most Newark job seekers are law abiding, free of substance abuse, adequately educated, and want the opportunity to be self-sufficient. It is almost certain therefore that a number of Newark job seekers are unfairly stigmatized by potential employers because of their residency or their race. These attitudes tend not to be obvious in brief interviews and quantitative data reviews, but they can lie just below the surface when respondents make sweepingly broad complaints about labor force issues, albeit serious ones. Everyone, especially employers, must be strongly encouraged or required (where the First Source ordinance applies) to ensure that they are not making judgments of qualified job candidates based on stereotypical characteristics of urban residents that are not accurate.

*Lack of Responsiveness to Business Community.* Among the employers interviewed, there was a strong sense that government workforce agencies and community service providers have not fully embraced the notion that the workforce system has two main customers: the job seekers and the employers. The employers express the opinion that the workforce system concentrates heavily on the client job seekers and neglects the needs of the business customers. “I don’t think,” said an official with a local business organization, “a lot of providers understand how to approach an employer and make a bottom line case for hiring someone. You have to make the argument that hiring this person would bring value to the company, not as a favor to the community.”

*Prevalence of Criminal Histories and Substance Abuse.* Employers noted that the high incidence in the City’s labor pool of ex-offenders and those battling substance abuse is a disincentive to hiring these individuals. Numerous employers disqualify job candidates who fall into one of these categories.

## E. CURRENT WORKFORCE SYSTEM

### 1. Newark Workforce Investment Board (WIB)

New Jersey was an early implementation state in the transition from the previous workforce system under JTPA to the Workforce Investment Act (WIA) and establishment of One-Stop Career Centers. Initially, Newark was part of the Essex County Workforce Investment Board (WIB), but requested permission from the state to form its own WIB. The Newark WIB held its first meeting in early 2000 only a few months prior to the federally mandated operation of WIBs on July 1, 2000.

The Newark WIB is chaired by Fleeta J. Barnes, Senior VP with First Union National Bank, and consists of 51 members, although less than half of the membership represent private sector employers or business trade organizations. The Workforce Investment Act (WIA) states that a majority of the WIB members should represent businesses or business organizations. The rest of WIB membership is composed of local educational institutions, labor unions, community nonprofit organizations and representatives of One-Stop partners. [See Appendix IV].

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The Newark WIB’s major role, as envisioned by WIA, is to oversee a market-driven system that provides continual improvement in its local workforce system and initiates projects to meet the needs of businesses and workers in its region. Those needs are met by a system of six One-Stop Career Centers – a main center located at offices of the Mayor’s Office of Employment and Training (MOET) on Sussex Avenue and five One-Stop centers located in each of the City’s wards. The One-Stop partners are: the North Ward Center in

the North Ward; The Leaguers in the South Ward; the Ironbound Community Corporation in the East Ward; The Urban League in the West Ward; and Essex County College in the Central Ward. The New Jersey Department of Labor operates two other One-Stop centers that offer citywide services: one operated by the Division of Vocational Rehabilitation services, the other by the Department of Labor Employment Services. The WIB also has responsibility for administering contracts for its Individual Training Accounts (ITAs – vouchers) between its job seekers and its training vendors and ensuring that vendors deliver on all aspects of the contracts which includes job placement.

MOET provides the WIB with the funding and staff support for WIB meetings and counselors at the six One-Stop Career Centers. The director of MOET, Daniel Akwei, also serves as the Executive Director of the WIB. Ayirebi Asante is Deputy Director of MOET. Akwei and Asante have the day-to-day operating responsibility for ensuring that the system serves businesses and job seekers alike. The staff of MOET totals 30, including ten counselors, four MIS specialists, and a business outreach representative.

## Accomplishments

The Newark WIB and its staff should be acknowledged for the following initiatives in the past year: *Bridging the Gap*. The Newark WIB collaborated with the Union WIB, the Morris/Sussex/Warren WIB and the New Jersey Institute of Technology (NJIT) on a \$2.8 million US Department of Labor H-IB-funded two-year, Demonstration grant to create a program – Bridging the Gap – to provide high skill training for women, minorities, under-employed persons, and the disabled. The program started January 2001. Its goal is to provide training to 340 individuals via onsite classroom and distance learning. The training includes PC maintenance, A+, Web design, and Microsoft Office suite skills. Thus far, the program has produced 22 graduates, seven of which are already participating in internships with local high tech companies.

*Abbott School Construction Planning Grant*. The State's Economic Development Authority recently issued requests for planning grant proposals to Newark, Trenton and Camden for use and implementation of the Abbott School construction funds. Newark's share of the planning grant funds may be approximately \$650,000. As required, the WIB assembled and facilitated meetings among the various neighborhood organizations to obtain their input in writing the grants that outline structures for training youth and adults in construction trades skills during the next decade.

*Job seeker service*. The Newark WIB should also be acknowledged for service to 3,260 dislocated workers during the 12-month period ending 6/30/01. The WIB also facilitated literacy and vocational training contracts for 2,281 individuals through ITAs for the same time period. Placement and retention issues related to these ITAs will be addressed under the category of challenges for the Newark WIB.

## Challenges

The following issues represent concerns that the WIB should address in order to ensure the most effective system for serving businesses and job seekers in Newark:

*Low Rate of Work First New Jersey placements*. According to the NJ Department of Labor's Division of Employment & Training (See Appendix I), the Newark WIB generated a 15% placement rate for Work First New Jersey (TANF) recipients – 1,667 job referrals and 255 hires – for the six month period ending 12/31/01. In

fairness to the Newark WIB, the NJDOL statistics for job placement of welfare recipients by Essex, Union, or Hudson County WIBs ranged from 10% to 15%. Don Forsythe, director of TANF, Food Stamps and General Assistance programs at NJDOL, said the performance measurement goal for TANF job placement across the state is 60%. He confirmed that none of the four WIBs mentioned are close to meeting that benchmark.

*Lack of Retention data.* The Newark WIB could not provide any retention percentages for those TANF recipients placed. It should be noted that the Essex County WIB has responsibility for conducting retention follow up on all TANF recipients placed including those who reside in the City of Newark.

*Training vendor job placement discrepancies.* The WIB contracts with a state-approved vendor list of approximately 80 training vendors to provide literacy and vocational training to job seekers the One-Stop system staff assesses as needing the training to secure employment. For the 12-month period ending 6/29/01, the Newark WIB issued 2,281 individual ITAs who began training, but MOET's own statistics (see Appendix II) reflect placement of only 164 individuals, equaling 7% of the total served. MOET also could not provide retention statistics for these placements. The explanation from Mr. Asante, deputy director of MOET, for the low placement numbers was that the state One-Stop Operating System (OSOS) was not working properly. State NJDOL officials confirmed that the reporting system was "still getting the kinks out" and that problems of accuracy in the reporting persisted. Some of the training vendors interviewed did provide placement and retention numbers. (See Training Providers). Despite the importance of quantitative measures, these numbers are not reported here because of the possible lack of uniformity of standards. Nevertheless the self-tracking being done by groups despite the public sector's failing data collection regime is laudable. What this incomplete data tends to show is that some individual groups are generating placement rates in the 30%-50% range, well above MOET figures, but that generally there is a critical need to focus on boosting placements and retention across the system. NJDOL has contracted with an outside vendor to verify ITA placements and retention percentages. That activity is ongoing.

*Lack of regular communication with vendors.* Former WIB Chair Barnes said its training committee was attempting to meet with training vendors to discuss issues of concern, but those meetings are still in the planning process.

*Soft skills training.* Former WIB Chair Barnes commented that providing more soft skills preparation and training for TANF recipients was a priority of the Board, but thus far it's not clear how much soft skills preparation TANF recipients or at-risk adult job seekers are receiving through the One-Stop system. In most cases, TANF recipients are mandated to receive several days of training in interview techniques, writing resumes, and interview behavior. However, the instruction is not sufficient for the majority of job seekers who struggle with self-esteem, time management, and attitude issues that prevent them from being hired and/or holding a job. According to MOET deputy director Asante, training vendors are expected to provide some pre workplace training, in addition to the hard skills, but most vendors focus on the hard skills.

*Absence of market-driven attitude.* Based on discussions with local employers and other workforce stakeholders, the WIB has not made the transition from the JTPA system of group contracts and client maintenance to the new WIA system of focusing on employers and job seeker needs and serving those needs adequately.

*Training vendor reimbursement.* According to several training vendors with ITA contracts with the WIB, the efficiency of reimbursement of training vouchers needs improvement. The ITA contracts stipulate that the vendor will be paid in four installments: the first payment is 30% after a third of training is completed; the second payment is 30% after two thirds of training is completed; the third payment is 25% at completion of training. MOET holds back the remaining 15% until the employer confirms job placement. Vendors contend

that many initial payments are not made until after the student has completed training and is working. The problem with late reimbursement appears to be connected to the system that requires all vendor payments to be processed through the City of Newark disbursement system that takes anywhere from 60-90 days.

*Absence of current labor market needs survey.* There is no current labor market survey available that indicates the skill set needs of City employers. Chairperson Barnes said a labor market survey is on the WIB's to-do list.

## **2. City of Newark**

The City has provided leadership on a range of key economic development projects that has helped to rejuvenate the City. But the Administration has not demonstrated active interest or involvement in the operations of the Mayor's Office of Employment & Training (MOET) or the Newark Workforce Investment Board that it supports. An official of the Newark Economic Development Corporation (NEDC) is listed as a member of the WIB but does not attend meetings and expressed skepticism about its value in serving employers' needs for job ready workers. Although NEDC's future or that of any successor organization is now very much in question, this comment is indicative of a weak relationship between organizations with overlapping missions and between which close cooperation is vital. Another Administration official said the problem with the local workforce system "is the lack of good jobs" in the City and the absence of sufficient funding for workforce programs by the federal government.

## **3. Regional WIBs (Essex, Hudson and Union counties)**

*Essex County WIB.* Jeff Bertrand, Director of Economic Development for the County, oversees the WIB operations. His toughest challenge, he says, is trying to reduce the current TANF caseload of 13,000. Bertrand reports placing 1,500 to 2,000 individuals during the past 12 months. According to the NJDOL statistics, Essex County served 1,513 dislocated workers and 885 TANF recipients. And of these TANF recipients, only 64 or 7% were placed into jobs. The actual number of placements is probably higher due to the lag time in reporting and confirmation by individual employers.

Bertrand said that major barriers to employment for TANF recipients included literacy deficits, lack of private transportation/driver's licenses, and child care availability. The Essex WIB recently instituted a free bus shuttle for all welfare to work participants throughout the County to assist them in getting to training vendors. The shuttle runs from 9am to 5pm, weekdays. Bertrand said the WIB had established relationships with several employers who hire clients through its One-Stop system including Marriot, UPS and various retail outlets at Newark International Airport. Finally, with regard to coordination with the Newark WIB, Bertrand conceded that Essex WIB had little communication with the Newark WIB but said such exchanges would be helpful.

*Hudson County WIB.* Anthony Corsi is executive director of the WIB. In terms of collaboration with the Newark WIB, he said he was in the process of putting together an H-IB grant application to provide high tech training to residents. According to NJDOL, Hudson County served 2,224 dislocated workers and 715 TANF recipients. NJDOL statistics reflect, however, that the WIB only placed 44 of its TANF clients, or 6% of the total. Mr. Corsi had no statistics on TANF retention. He noted that the NJDOL's placement statistics were approximately correct but explained that more funding was needed to serve those clients with multiple barriers to employment.

*Union County WIB.* Carol Ford is Executive Director of the Union County WIB. This consultant attended a quarterly meeting of the Board in which the Board discussed two significant recent activities involving job seekers. One was a job fair held at Jersey Gardens mall in Elizabeth in conjunction with the Retail Skills Training Center. The WIB reported a turnout of 500 people but had no statistics on the number of hires. The other key development discussed by the Board was the WIB's receipt of a \$75,000 planning grant from the state to create a training initiative for graphic arts companies and persuade these companies to relocate to Union County. According to NJDOL statistics on services provided by the local WIB, Union County served 1,516 dislocated workers for the 12-month period ending 6/30/01 and 228 TANF recipients; 25 TANF recipients, or 11% of the total, were placed into jobs. The actual placements are probably higher due to the lag time in reporting and confirming these placements.

#### **4. Newark training/placement providers**

It should be noted that the Newark WIB's performance measurement statistics for its training and employment vendors reflect a large discrepancy contrasted with the statistics provided to this consultant by individual vendors. MOET Deputy Director Asante said the discrepancies are the result of (a) a lag time in reporting between the vendors and recording by MOET and (b) the fact that awarded ITA (Individual Training Account) contracts began more than a month after the mandated start of the Newark WIB July 1, 2000.

### One-Stop Career Centers

*North Ward Center.* The center provides all of its skills training through its Newark Business Training Institute (NBTI) and serves as a satellite One-Stop center in the North Ward. Ralph Ciallella, NBTI Director, sits on the Newark WIB. NBTI offers a range of training including business office administration, food service, and medical and legal office skills. The center has contracts with both Essex County WIB for TANF and as an accredited ITA provider with Newark WIB. The center also provides soft skills job preparation and assists welfare recipients in a four week job search. Ciallella says the center serves about 500-700 persons annually. The center graduates are highly regarded by other local service providers in the community. **Contact: Ralph Ciallella. 973-268-8900.**

*The Urban League of Essex County.* The Urban League operates a satellite One-Stop center in West Ward, but it serves few Newark residents. Most of their clients are referred by Essex County WIB and very few are referred by the Newark WIB. The center provides GED and computer clerical training. David Stephens, Director of programs, said the League recently held a job fair in conjunction with UPS and Continental Airlines. The fair drew 1,300 job seekers and 30 employers. He had no statistics about those hired through the fair or employer satisfaction with job candidates. Stephens said the Urban League has placed clients with NJ Transit and Verizon, among other companies. Stephens said they offer a summer program that serves approximately 120-150 youth. **Contact: David Stephens. 973-624-9535 ext. 107.**

*Ironbound Community Center.* The center operates a satellite One-Stop in the East Ward, but provides no vocational training. It does offer GED and ESL training; family day care; and a meals-on-wheels program for shut-ins. The center's One-Stop services are limited to core services which under WIA include Internet access to local and state job banks; use of computers to produce resumes; and telephones to call about local employment listings and general career counseling. **Contact: Joe Della Fave. 973-509-3353.**

*Essex County College/Training Inc.* The college operates a satellite One-Stop Center in the Central Ward and provides high tech training, job search, and soft skills training to both TANF and low income workers. Training Inc. is a national skill training concept that operates in several cities around the country. They were chosen in 1998 from more than 200 applicants by Public/Private Ventures, a national workforce intermediary and research group as one of ten national training and placement providers to work on a Sectoral Employment Initiative. Under this effort, Training Inc. is providing advanced skills to low income workers and connecting them with better jobs and career advancement opportunities. Training Inc. has taken the initiative to start an alliance of service providers for information sharing and training purposes. **Contact: Elvy Vieira. 973-642-2622.**

*Newark Housing Authority.* The Housing Authority has created its own construction trades apprenticeship program for public housing residents in conjunction with Laborers International Union, Local 1030 and funded by MOET. Six individuals out of the initial 20 who went through the training received their licenses. The 14 individuals who failed the license test will be retested by the union. The Housing Authority hopes to provide training and employment for other local housing authority residents under the Hope VI construction grant approved for Newark. The Housing Authority is also participating in the writing of one of the grants applying for the Abbott School Construction planning funds. **Contact: Charles Bell. 973-430-227**

## Other Community-based workforce providers

*Catholic Community Services, Workforce Development Division.* Catholic Community Services (CCS) provides a wide variety of training services to job seekers in Hudson, Union, Bergen and Essex counties. Services offered to Newark and Essex County residents, both TANF and low income workers, include Job Search, Adult Basic skills, ESL, GED training as well as vocational skills training in food services, certified nurse's aide positions, and janitorial maintenance. **Contact: Joe Bordo. 973-848-3457.**

*New Community Corporation.* The New Community Corporation (NCC) is one of the largest and most comprehensive training and placement providers operating in Newark. It is a major training vendor for Newark and Essex County WIBs. It offers a broad range of vocational training in automotive technology, computers network administration, computer software, and culinary arts, home health aide training, security, and business office skills. NCC has formed its own manufacturing company, NCC Technologies Inc., generating 200 living wage jobs for community residents. **Contact: Pat Cooper. 973-824-6484.**

*La Casa de Don Pedro.* La Casa is one of the oldest neighborhood service providers in Newark, serving the residents of the north and north central neighborhoods of the City with a focus on the Latino population. La Casa provides assistance in housing, child care, after-school enrichment programs for local youth as well as several ITA contracts with Essex county and Newark WIBs that provide computer skills and literacy classes. La Casa also formed the Newark Youth Leadership Program for local youth. **Contact: Rosalina (Wendy) Melendez. 973-483-2703, ext. 515.**

*Council for Airport Opportunity.* The Council is one of the most productive job placement providers in the City. The organization focuses exclusively on jobs at Newark International Airport. They range from baggage handlers and security positions to employment at retail shops and restaurants. Executive Director Mary Darden says the demand for job ready individuals has increased since September 11, primarily due to the rise in security personnel and the extended time travelers spend waiting to board their flights. **Contact: Mary Darden. 973-622-4537.**

*Essex County Vocational Technical Schools.* The Voc Tech school system has 2,200 students enrolled in training that ranges from automotive maintenance, computer design, and clerical skills to construction trades and medical training for nurse's aides. The school also offers more than 100 adult programs in literacy, ESL and various vocational skills. Schools Superintendent Dr. Robert Noonan said the school has found jobs for approximately 1,400 students in the past several years, 75% of whom are City residents. **Contact: Dr. Robert Noonan. 973-243-2926.**

*Target Training Center (TTC).* One of the major information technology training providers in the City, TTC has seven separate contracts with the Newark WIB. The courses provide training in a range of computer skills from advanced Microsoft Office 2000 and Advanced Microsoft Office for Medical Assistants to two PC networking courses, PC support and service, a PC introduction and complete Microsoft Office suite. **Contact: Dan Passarella. 973-621-7717.**

*FOCUS.* This organization provides soft skills, ESL, literacy and job search training for adults and out-of-school youth, ages 16-21. The organization primarily serves the City's Latino population. **Contact: Wanda Rodriguez. 973-624-2528.**

*AlphaTrain.* This is the largest training vendor on the Newark WIB's ITA list. The vendor has 15 separate contracts that range from Certified Nurse's Aide training and various courses in medical office administration to Cisco networking certification and several other computer business applications and support specialties. **Contact: Clarence Bone. 973-297-0401.**

*CareerWorks.* This is the second largest training vendor on Newark WIB's ITA list. The organization has 12 separate training contracts in areas ranging from Certified Nursing Assistant, home health aide, and word processing to building maintenance and various literacy and job search courses. **Contact: Arnold Fox. 973-623-3535.**

## **5. Labor unions**

Labor unions have always had a major influence in vocational skill training and living wage employment within the City of Newark. With the promise of \$12-\$14 billion investment in bricks and mortar by the year 2010, the construction trades unions will be a major source of good jobs in Newark and Essex County. The unions control thousands of jobs in the City in the health and hospital sector, in the public schools as well as in various City departments and agencies. Traditionally, there have been few apprenticeship positions open to City residents in the construction trades unions. But that is slowly changing. Within the last two years, there has been movement within the construction trade unions that are members of the Essex County Building Trades Council.

The Essex County Construction Careers, a program sponsored by the NJ Institute for Social Justice, has established links with several of the trades unions regarding the preparation training to take the Union apprenticeship admissions tests. A 10-week training course held last summer produced twenty-five graduates. Six passed these tests and have been accepted into the unions. About 50 students registered to take the new pre-apprenticeship training in February 2002. The state is committed to spend \$30 million to support the training of women and minorities to ensure their participation in public construction projects. The WIB, the City and community groups need to press the various unions to accept the graduates of these programs.

## 6. Youth programs

As mandated by the Workforce Investment Act (WIA), the Newark WIB has an active Youth Investment Council that is designed to provide oversight and policy for a system to create employment opportunities and career pathways for youth between the ages of 14 and 21. Thirty percent of WIA youth funding must be spent on out of school youth and 65% is mandated for “hard-to-serve” youth. They are those who face multiple barriers to employment such as homelessness, involvement in the juvenile justice system, teenage parenthood, TANF status residence in public housing.

Carolyn Wallace is Chair of the Newark Youth Investment Council as well as founder and leader, with her husband, James, of the International Youth Organization (IYO). The organization has served Newark youth for the past 30 years, offering a variety of programs ranging from counseling and family crisis intervention to computer literacy, after-school homework assistance, GED attainment, and summer employment. IYO also administers the Newark branch of the New Jersey Youth Corps that provides education development, career counseling and community service projects for young adults, ages 16-25. IYO provides services to more than 500 youth annually. The Youth Council also administers contracts with several youth training vendors. Those programs include:

*The Leaguers.* They provide a counseling and crisis intervention program for at-risk youth, ages 8-17. The program is focused on assessment and short term counseling, lasting 30 to 60 days. Melvin Rubin, the counselor conducting the program, says 60 % of the youth are involved in the juvenile court system and the majority are “functionally illiterate” with reading comprehension at the 5th-6th grade level. **Contact: Melvin Rubin. 973-373-2397.**

*Target Training.* In addition to its adult training courses, Target offers computer skills programs for at-risk youth; 20% of those in the program were remanded to the program by a family court judge. Dan Passarella, Executive Director, said a family court judge viewed the program as an auto theft intervention program. If the youth graduated from the course, the judge agrees to expunge their record of the felony. **Contact: Dan Passarella. 973-621-7717**

*Unified Vailsburg Services Organization.* The program provides neighborhood youth with an employment youth leadership program for teens, ages 14-19. The program includes 30 hours of soft skills and another 10 hours devoted to small business operations and part-time jobs. Program served 48 youth last year, 10 of them high school seniors who have been accepted to college. **Contact: Mike Farley. 973-374-2000.**

*La Casa de Don Pedro.* La Casa annually operates one of the most ambitious youth and family services program in the City. Their programs for last year included:

- After school program serving 164 children.
- Summer Day Camp program serving 120 children.
- Youth Community Mentoring Program, counseling 30 kids in trouble with the law.
- Newark Youth Leadership Program & Youth Leadership Academy serving 56 teens with leadership training, career development and college preparation assistance. **Contact: Carlos Mercado. 973-483-2703.**

## **7. School to Work and Literacy initiatives**

*School to Work.* The Newark Public Schools have adopted an academy system within the city's 13 public high schools that offers students instruction, and in some cases, certification in specific industry skills. The academy instruction ranges from visual and performing arts, science & technology, law and teacher education to aerospace, pre-engineering, print and broadcast communication, business, health and nursing, and culinary arts and hospitality. The schools have developed partnerships with post-secondary institutions, business organizations, technology companies, and local service providers to provide training and development for teachers and students. In some cases, the partnerships have resulted in summer jobs for students who completed the training, but the school system needs to expand the number of local companies it has links to in order to identify more potential jobs for its graduates. A proactive and effective Workforce Investment Board and the City Administration could help the schools to increase the number of relationships with local businesses.

*Literacy initiative.* Literacy is a major barrier to employment for adults and youth in Newark. High school dropout rates are well over 40%. The most ambitious effort to reverse that problem is "Project G.R.A.D.," a \$15 million, 5-year effort targeting nearly 1,500 students at Central and Malcolm X. Shabaz High Schools and the elementary and middle feeder schools for both high schools. The program will see the first fruits of its efforts this June with 70 graduates earning a 2.5 grade average; 30 of those students will receive \$6,000 college scholarships. These types of initiatives need to be replicated citywide and offer an opportunity for the business community to participate on a much larger scale.

## **8. Faith-based employment initiatives**

New Jersey was one of the first states in the U.S. to create a Faith-based Community Development Initiative in 1999. The funds, administered through the Department of Community Affairs, were designed to provide faith-based organizations with the resources to provide a range of neighborhood revitalization and social service activities for local residents. As of January 2002, the total funding provided to 142 organizations across the state increased to \$17.5 million. Some of that funding was used to provide employment support and training for local residents, including ex-offenders and other residents with barriers to employment. Faith-based organizations in Newark that provide employment services include:

*St. James CDC*, 260 Broadway. **Contact: Sandy Accomando. 973-482-5700.**

*Irvington Clergy Assn.*, 985 South Orange Ave. **Contact: Cynthia Bullock. 973-395-8351.**

*American Friends Service Committee*, 972 Broadway. **Contact: Michael Elsner. 973-643-3191.**

*Harambee Community Dev. Initiative*, 985 South Orange Ave. **Contact: Cynthia Couch-Bullock. 973-399-2507.**

The St. James AME Church, Dr. Martin Luther King Jr. Drive, Newark, is a partner with the New York City Environmental Justice Alliance in an environmental remediation training program that began in 2000. The other partners in the program are the University of Medicine & Dentistry of NJ and the New York City District Council of Carpenters. The 20-week training program provides instruction in asbestos abatement and various training in the handling of hazardous waste and soil at Brownfield sites within the city. The program graduated 20 individuals last year, placed 19 in jobs starting at \$17-\$19 per hour, and all of them are still working. The program includes helping the graduates obtain EPA site licenses and certificates

that permit them to work on brownfield sites. The program is funded through the US Environmental Protection Agency. Students are provided free lunch and transportation stipends during training. St. James AME Church provides counseling and retention support for students going through the training and also provides the classroom space for the training. **Contact: Rod Brutton. 973-286-2072; Dolores Johnson. 973-622-1344, ext. 18.**

## **9. Barriers to employment for local job seekers**

The barriers to employment among Newark residents range from literacy deficits, criminal records and substance abuse to lack of effective soft skills preparation, a lack of quality accessible neighborhood child care and inadequate public and private transportation.

*Literacy deficits.* There are estimates of school drop out rates of more than 40% for youth within the City of Newark. Average reading and math levels for TANF recipients and out of school youth in Newark are estimated to be at the 5th grade level. Employers point to this as one of the major barriers to employment.

*Transportation and driver's licenses.* The City of Newark has a city-wide mass transportation bus system and the first stage of a monorail delivery system to Newark International Airport. While there is daily and weekend bus service, it adds several hours to the commute of a single parent who must first take her children to child care. Many local residents do not own automobiles which precludes them from getting to training courses and to jobs, particularly those located beyond the city limits. For those with access to a vehicle, however, another major barrier for local residents is the lack of a driver's license or its suspension for various violations. In New Jersey, most suspensions are for economic reasons such as failure to pay fines or fees and not for conduct implicating public safety. (For an authoritative investigation of these issues and responsive recommendations, see **Roadblock on the Way to Work: Driver's License Suspension in New Jersey** by Ken Zimmerman and Nancy Fishman published in October 2001 by the New Jersey Institute for Social Justice.) Jobs in the construction trades industry are one category of employment where an individual needs a valid license and access to a vehicle due to changing location of work sites. Recently, Essex county WIB started a free bush shuttle called W.A.V.E. (Workforce Accessibility Vehicles of Essex County) but the program only transports individuals to site of training vendors and not to actual work sites. The program fills a gap in assisting job seekers to get to training sites, but does not communicate effectively to local residents regarding the date, time and location of the bus stops. There is no current program devoted to soliciting donations of used cars and repairing them for distribution to welfare recipients and the working poor.

*Lack of sufficient childcare.* According to a September 2000 report prepared by Programs for Parents, the state-approved unified child care agency for Essex county, there are 401 licensed facilities in the county including child care centers, Head Start programs and after-school programs. Of the 230-licensed child care centers in East Orange, Orange, Irvington and Newark, 167 are located in Newark. Despite the number of child care facilities located in the city, the report found the following issues present:

- There is a shortage of infant and toddler child care.
- Insufficient programs are available for special needs children in child care centers, Family Day Care homes, and before-and-after-school programs.
- Staffs of child care centers and Family Day Care homes are inadequately prepared to care for the chronically ill child.

- There are insufficient child care resources for low-income parents who cannot afford the cost (\$125-\$160 weekly) for infant care, and;
- Transportation is needed for before and after-school day care throughout Essex County including Newark; 75% of parents use a bus to drop off children in day care and 50% use more than one bus.

*Substance abuse.* The majority of employers in the city that have entry level jobs available require applicants to pass a drug test. This a disqualification for many individuals applying for jobs at Newark Airport, NJ Transit or the Port Authority of NY & NJ. Even individuals in recovery from substance abuse who pass a drug screen are often barred from jobs in the financial and high tech sectors.

*Ex-offender status.* This is a major hurdle to employment for a large segment of Newark's unemployed male population. Even a misdemeanor on an individual's record can preclude them from a job.

According to the Department of Corrections, 20% - 25% of all the state prison inmates come from Essex County. Many of those will be returning to the community eventually and will need help making the transition to employment.

## **F. Sectoral Initiatives**

*Sectoral Initiatives* are essentially efforts by service providers to focus training and employment services on a single industry sector with the goal of achieving several objectives for low income workers:

- Seek to alter traditional low pay, no benefit occupations in a manner that links workers in those jobs to the potential for earning a living wage and moving on a career path.
- Seek to expand the abilities of low-skilled workers to qualify for good jobs that ordinarily are out of their reach.
- Bring about system change among employers and low income workers that encourages employers to see the value of providing opportunities to their lowest paid workers.

Training Inc., Essex County College-based service provider in Newark is participating in a national study of sectoral initiatives. They are one of 10 organizations – selected from more than 200 organizations – to work on the initiative. The project is being administered by Public/Private Ventures, a national workforce intermediary. In the case of Training Inc., they are trying to bridge the gap between low-income minority residents in the city and the computer industry's need for skilled, trained workers. By working closely, with information technology industry representatives in Newark and the region, Training, Inc., seeks to build on its existing training for personal computer (PC) technicians, creating options for additional training as network administrators and other more senior positions in information technology. The project also looks at how organizations help local workers overcome barriers to training and work by addressing their academic remediation and other needs like transportation as well as the soft skills needed to prepare them for work in a professional environment.

There is a second, smaller sectoral employment effort in Newark called the Technical Training Project. It provides some technology training for high school graduates and assists them in obtaining jobs in the local technology sector. Overall, there is much larger potential for sectoral initiatives in the Newark which could be important avenues to opportunity when properly developed. [See Recommendations section].

### **G. First Source Initiative**

The Newark City Council voted to approve a “First Source” ordinance in October 2000. The ordinance creates a binding agreement between the City and any employer receiving certain economic incentives from the City to make a good faith effort to hire qualified Newark residents “for all new positions of over 90 days duration created by turnover or expansion.” Economic incentives are defined in the ordinance as: a tax abatement or property tax exemption by \$25,000 or more; any federal, state, county or municipal grant or loan of \$25,000 or more; city property conveyed at private sale for no or nominal consideration which has fair market value of at least \$25,000; or a city contract for services over \$100,000.

The ordinance’s passage was a powerful symbolic action to create more employment opportunities for local residents, particularly as the city’s construction sector promises to boom in the decade ahead. But the ordinance has not yet been implemented. A contributing factor: neither the City Administration nor the Mayor’s Office of Employment & Training (MOET) support it. Dan Akwei, director of MOET and executive director of the Newark WIB, said they had neither the funds nor manpower to implement the ordinance.

Enforcement of a First Source ordinance, as the recently commissioned Heldrich Report indicated, is not a “win-win” situation for residents or employers if employers see the process as bureaucratically onerous and ineffective in providing them with job ready employees. Staff of national First Source models (Berkeley, CA., and Portland, OR) have long cautioned that cities who pass this ordinance need to have an effective workforce training and employment program already in place that has demonstrated that it can deliver skilled and job ready workers to employers before efforts to implement the ordinance can be carried out. The state’s Economic Development Authority school construction planning grant to design and test a construction trades employment model may present a linkage opportunity for First Source efforts. [See Recommendations section].

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# Workforce Funding

**Workforce Funding**

According to NJDOL officials, Newark receives more total funding for WIA, TANF, and Welfare-to-Work populations than any WIB region in the state. Also, as of September 30, 2001 (the end date of the fiscal year) there was an unobligated balance of \$2.5 million for Welfare-to-Work funds which could be used to assist the hardest-to-employ welfare recipients. [See Recommendations section].

**A. Workforce Investment Act (WIA)**

According to NJDOL, Newark's WIA funding for the 2002 fiscal year in its three basic categories is:

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Adult:	\$2.2 million
Dislocated worker:	\$740,000
Youth:	\$3.3 million

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**B. TANF, Welfare-to-work, Food Stamps, General assistance**

According to NJDOL, Newark's allocation for the fiscal year just ended was:

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TANF:	\$2.3 million	Unobligated balances:	0
Food stamps:	\$600,000	Unobligated balances:	0
General assistance:	\$249,000	Unobligated balances:	0
Welfare-to-work	\$5.2 million	Unobligated balances:	\$2.5 million

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**C. Other potential workforce funding**

There are various agencies in addition to USDOL who are a potential source for funding TANF and low income workers. The following programs have the potential to assist local hard-to-serve and low income populations to securing training, employment and self-sufficiency:

**Federal fatherhood initiatives**

In its last year, the Clinton Administration issued a document calling for various agencies to provide guidance and resources to states to support strategies encouraging responsible fatherhood, training and employment, and reuniting fathers with their children. Many fathers are ex-offenders and/or in recovery from substance abuse problems. The following programs are directed to assist this specific population and are administrated by the Department of Health and Human Services:

*Child Access and Visitation* of incarcerated or noncustodial fathers. Minimum grant to states is \$100,000 annually.

*Job Opportunities for Low Income Individuals (JOLI)*. The program awards competitive grants to nonprofit organizations including Community Development Corporations (CDCs) committed to creating jobs for persons eligible for TANF or whose income does not exceed 100 % of poverty guidelines.

*Partners for Fragile Families.* The initiative is aimed at helping fathers work with mothers of their children in sharing the legal, financial and emotional responsibilities of parenthood.

*Parents' Fair Share.* Sites in 7 states participated in a demonstration project that provides employment-related training, parenting education, peer group support and mediation services to encourage low income fathers to be more involved with their children and to increase their child support payment.

*New Assets for Independence (IDA Demonstration program).* The program is intended to provide grants to low income workers to help them accumulate assets by saving a portion of their earned income. Workers savings are matched by federal and private sector grants. Savings can be used for one of four "qualified expenses:" postsecondary education; buying a first home; starting a business; and transfers to the IDAs of family members. The maximum contribution of federal dollars is \$2,000 per individual and \$4,000 per household. In many states, local service providers and WIBs have secured matching funds from local employers who hire low skill workers.



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# Findings and Recommendations

## Findings and Recommendations

The Northern New Jersey region continues to enjoy employment growth that exceeds the state average. Seven out of every ten jobs generated in the state are produced here. And most observers expect this trend to continue for many years to come, despite the aftermath of 9/11 and the recession of 2001. Urban residents however, have not fully participated in this growth, hampered by skills and spatial mismatch, inadequate public and private transportation and the like.

Newark itself is a tale of two cities. On the one hand, it is the Newark of shiny, state-of-the-art glass and steel architecture that gives the downtown business district a strong, glittering, proud-to-be-here look about it. It is the Newark of the widely touted economic renaissance that boasts a new performing arts center, one spanking new professional sports stadium, and plans for construction of another new multimillion-dollar professional sports arena. Despite thousands of square feet of newly refurbished high-rise office space, Newark's office space vacancy rate is less than 5 percent. In addition, 3,000 new units of market rate, residential housing have come on line in recent years. It is a city with a burgeoning information technology sector that has a national reputation for its high tech, broadband infrastructure. It is a city that is home to five prestigious post secondary academic institutions and five major hospitals.

It is a city in which 56% of residents have high school diplomas or higher education. In a city with a minority population of 85%, 40% of the workforce is employed in management, professional, or white-collar occupations, and that statistic is growing. There is also an increasing minority ownership of small firms. It is a city that has experienced a 50% drop in crime in the past five years, a decrease in unemployment – from 14.7% in 1990 to 9.8% in 2001 – and a 47% drop in public assistance cases between 1995 and 2001. It is a city that has been blessed with \$1.6 billion in state funds to build 45 new schools and renovate 30 existing ones. It is a city on a roll.

Then there is the Other Newark, a city where more than one quarter of its citizens live in poverty and more than one third of its children live on the same street. It is a Newark where 30% of single heads of households are unmarried women who have more than 15,000 children under age 18, many of whom already have a criminal record. It has an extremely high juvenile crime rate. It is a city where the median household income – \$29,706 – is nearly \$10,000 less than the state average and per capita income is less than \$13,000. It is a Newark where more than 40% of its youth drop out of high school before graduation and a large number are described as “functionally illiterate,” languishing at reading and math levels of 5th grade or less. It is a Newark where some 11,000 individuals are still officially unemployed despite millions of dollars spent to train them and help them obtain jobs. It is a city where many others have given up trying to find work. It is a city where a substantial number of men and women want to turn their lives around, but are stymied from obtaining jobs due to criminal records, illiteracy or substance abuse.

The “Findings and Recommendations” section seeks to bridge the gap between urban residents and economic opportunity. The city's economic growth in its business district can serve as a platform for two perspectives: one that places into stark relief its failure to provide meaningful opportunity to those who have historically been excluded from it; or light at the end of the tunnel for residents that are provided the required training and support to share in the fruits of the City's renaissance. Many of the steps suggested here can have significant impact, but only if there is an openness to listening to each other by everyone affected and a willingness to adopt approaches that have solved similar problems elsewhere. Most of all, the public, private and non-profit sectors in Newark need to communicate candidly, constantly, and work together to solve the challenges that lay ahead.

There is city-wide and system-wide consensus that Newark's primary stakeholders in the city's workforce development system – the City Administration, Newark WIB/MOET, businesses, labor unions, the school system and, training providers – need to seize this moment to dramatically enhance communication and priority-setting to ensure that the workforce system delivers service for its job seekers and employers.

There are recommendations focusing on individual elements of the system: employers and their associations, workforce providers, and the public sector. This report calls for considerable strengthening of their efforts – sometimes building on a record of achievement, sometimes on promising beginnings, and sometimes in areas that are plainly below standards in the field. Even more importantly however, the connections among the workforce system elements must be productively intensified.

While the WIB is designed to be the primary venue for this “all-sector” collaboration, it cannot be expected to do it all alone. It should be seen as a leading actor in the implementation of a broad-based effort to bring Newark residents access to local employment opportunity. It therefore needs to work with “some wind in its sails,” furnished by the temporary, non-bureaucratic group described below or one like it.

These recommendations are intended – and hopefully will be received by all relevant stakeholders – as a positive contribution in the effort to improve the capacity and effectiveness of the local workforce system for all of its stakeholders as well as its primary customers. Change does not happen overnight. It is a process, not a single event, but it begins with the acknowledgment by principals and staff that its product and service can be better tomorrow than it is today.

## PLACEMENT AND RETENTION

### Findings

#### **Low Job Placements of TANF recipients**

According to the state Department of Labor’s Division of Employment and Training, the Newark WIB has generated only a 15% placement rate for TANF recipients – 1,667 job referrals and 255 hires – for the six month period ending 12/31/2001.\* The NJDOL official conceded that “all of the Workforce Investment Boards in the North Jersey region, including Newark, are below the 60 percent target for job placement of Work First New Jersey (TANF) recipients.”

MOET’s statistics for job placements of individuals receiving training through WIA’s Individual Training Accounts (ITAs) system also reflect a serious discrepancy when contrasted with individual vendor’s performance statistics. For the 12-month period ending 6/29/2001, 164 persons were placed out of 2,281 (7%) who began training. Several vendors reported much higher placement numbers. MOET attributes the discrepancy to a lag time in the confirmation process that requires employers to confirm the job placement in response to a mailed request for confirmation. Often, employers do not respond to the questionnaire. MOET has the responsibility to call employers to confirm these placements, but it apparently does not follow up in a timely manner.

#### **Inconsistent retention services**

There is a lack of consistency regarding retention follow up services provided to TANF job placements. The most effective service providers do understand the importance of retention case management services and offer them to newly hired clients, but the majority of providers do not perform meaningful follow up. MOET officials seem to lack the staff and the expertise to provide this retention support. It is also significant that the only retention numbers required by the state for payment to providers are for 90 days post placement. This is clearly not a sufficient amount of time to determine whether job seekers with multiple barriers to employment have made a permanent transition to the workplace. The minimum standard for effective retention services is 180 days. The best national retention models are based on 12-18 month job retention. Surveys indicate that many TANF clients will cycle through 4-5 jobs within the first 18 months of transition from assistance to permanent employment.

**Findings and Recommendations** *continued*

There is a lack of available statistics on retention at the service provider level and from MOET and NJDOL. Some service providers do offer retention support to clients, but the lack of data significantly hampers effectiveness and program improvement.

**Lack of Effective Soft Skills Training**

There is insufficient funding for adequate soft skills preparedness for new workers. This training deficit is reflected in complaints commonly heard from employers regarding new entry-level hires referred by the One-Stop Career Center system. Issues that arise after the person is hired include unprofessional behavior in the workplace; lack of conflict resolution skills; chronic tardiness and absenteeism; and refusal to take personal responsibility for one's actions and attitude. There are private sector funded national training models that provide effective soft skills training. (STRIVE – see Appendix V, Best Practices)

**Lack of service capacity to assist ex-offenders and those struggling with substance abuse**

Newark lacks adequate workforce development programs to effectively train and place adults with prison records and substance abuse problems. There appear to be few employment programs that specifically target at-risk adult populations (i.e. noncustodial males) in Newark beyond the eligibility criteria of TANF or welfare-to-work. A program that serves the largest number of ex-offenders from Newark is Offender Aid & Restoration of Essex County, Inc. (OAR) There appears to be a lack of resources on the part of the system to provide soft skills and attitude adjustment training for neighborhood residents with these types of barriers to employment.

**Serious literacy deficits among adults and youth**

This issue remains a barrier to employment for substantial numbers of city residents, both adults and youth. Deficits in reading, math and critical thinking skills are ranked by employers as the primary factor in the high attrition rates among new hires. It is estimated that more than 40% of local high school youth drop out of school prior to graduation. Reading and math comprehension is often found to be at the 5th-6th-grade level in intake assessments by service providers.

**Lack of adequate public or private transportation**

This is another major barrier to employment for TANF and low-income city residents. A majority of local residents do not have driver's licenses or have suspended licenses and cannot afford to buy their own cars or auto insurance. Recently, Essex County WIB started a free bus shuttle called W.A.V.E (Workforce Accessibility Vehicles of Essex County), but the program only transports individuals to sites of training vendors and not to actual work sites. The program fills a gap in assisting job seekers to get to training vendor sites, but does not communicate effectively to local residents regarding the date, time and location of the bus stops. There is no current program devoted to soliciting donations of used cars and repairing them to be distributed to welfare recipients and/or working poor.

**Lack of available childcare**

According to a September 2000 report prepared by Programs for Parents, the state-approved unified childcare agency for Essex County, there are 401 licensed facilities in the county including child care centers, Head Start programs, and after-school programs. Of the 230-licensed child care centers in East Orange, Orange, Irvington and Newark, 167 are located in Newark. Despite the numbers of child care facilities in the City of Newark, the report found the following issues present in Newark and throughout Essex County:

- There is a shortage of infant and toddler child care.
- Insufficient programs available for special needs children in child care centers, Family Day Care homes, and before- and after-school programs.
- Staffs of child care centers and Family Day Care homes are inadequately prepared to care for the chronically ill child.
- There are insufficient childcare resources for low-income parents who cannot afford the cost (\$125-\$160 weekly) for infant care.
- Transportation is needed for before- and after-school day care throughout the county including Newark: 75% of parents use a bus to drop off children in child care and 50% use more than one bus.

## Recommendations

### **Focus on how to increase TANF job placements**

The association of workforce providers should set as a priority issue the relatively low level of TANF placements. First steps would be to determine the accuracy of the data. If the 15% placement, mentioned earlier, is accurate even within an order of magnitude, the association should develop strategies to increase placement rates, and then involve the Newark WIB and MOET in those discussions.

### **Make retention follow-up service of new hires a training priority for all Newark service providers**

The lack of consistent data regarding retention percentages of newly employed TANF recipients is an indication that these clients are not being provided an essential service to help them make the successful transition from assistance to permanent employment. Another warning sign is the relatively short duration of retention permanence measurements required by the local WIB and the state DOL. The association of workforce providers should make retention follow up strategies a priority as they organize a schedule of workforce training elements.

### **Establish a retention demonstration project**

The Newark WIB/MOET, in collaboration with the City Administration, should make an application to NJDOL for enough funding to establish a retention demonstration model program for Newark TANF recipients for a 12-month period. One possible source of funding could be the \$2.5 million in unobligated welfare-to-work funds for the City of Newark as of September 30, 2001. Part of the funding could be used to hire trainers or retention experts to provide group training in retention best practices for the hardest-to-employ. One best practice model in job retention is (a second is described under heading below of “national model”):

*Annie Casey Foundation Retention Initiative, Baltimore.* Retention numbers are monitored on a monthly basis and the highest performing service providers are rewarded for their work with cash bonuses. The Casey initiative requires the providers to meet monthly to review strategy, problems, and share best practices. Other national retention models offer individual workers cash incentives to stick with the job. [See Appendix V, Best Practices]

**Develop a coordinated strategy to serve special needs populations, including ex-offenders and substance abusers**

There are a handful of organizations operating within the City of Newark that provide training, support, and job placement service to ex-offenders and substance abusers and other residents with multiple barriers to employment. But the service provided is not sufficient to find employment or retain in jobs significant numbers of local residents with special needs. The association of workforce providers, in conjunction with the WIB/MOET, could take the lead to form a collaboration of those organizations focusing on these populations. The group could collaborate on funding proposals, share best practices, and work to enlist more companies to hire these residents.

**Expand Newark Literacy effort**

Literacy deficits are a major barrier to employment for adults and youthful residents of Newark, reflected in the more than 40% dropout rate of high school age youth. There are various literacy initiatives currently operating within the city. One of the largest is “Project G.R.A.D.” a \$15 million effort targeting 1,500 students at Central and Malcolm X. Shabaz high schools. The City Board of Education also has its own ongoing literacy improvement effort, funded by various private and nonprofit sources. Governor James McGreevey has also called for the creation of a Newark Literacy Task Force. The task force should ensure that both school age and older populations are taken into account as it addresses this critical issue. The business community should be encouraged to take the lead in creating citywide mentoring programs and adopt-a-school programs that have worked on a national level.

**DATA AND INFORMATION CHALLENGES****Findings****WIA retention data**

Neither MOET nor NJDOL had any data that indicated retention percentages for Newark WIB Work First NJ recipients placed in employment despite the federal mandate to capture this information. The explanation from MOET officials for this lack of data was that its program of Individual Training Accounts (ITAs – training vouchers) had begun after the July 1, 2000 startup date of the WIB and the retention statistics would not have reflected the full year’s activity. Nevertheless, MOET could not provide even interim retention numbers. MOET officials also blamed the lack of retention data on a problem involving the state’s One-Stop Operating System (OSOS). NJDOL confirmed that there was a statewide technical problem with the OSOS reporting system, but said each Workforce Investment Board is still accountable for gathering this data.

**Absence of current labor market needs survey**

There is no current labor market needs data available regarding the business community and specific employers in the City of Newark. Without this kind of labor market data, the WIB as well as local training and placement providers cannot determine precisely what entry level skills sets are needed so that they can adjust training and placement programs accordingly. Current labor needs data, particularly in light of the rising unemployment rate, can also assist the WIB and service providers in identifying the industry sectors to target in establishing new partnerships with employers.

## Recommendations

### **Determine accurate data regarding job retention and improve collection of data**

Without accurate performance measurements of job retention, it is virtually impossible to serve Newark job seekers effectively. Without this essential data, the WIB cannot identify areas that need improvement and devise responses accordingly – one of its key responsibilities. There are two reasons why MOET appears to have difficulty in gathering retention data. The first are the technical glitches in the state TANF reporting system. The state claims that these systems are being improved. It is recommended, however, that the system go beyond its current framework of tracking through 90 days to report retention at least to the 180 day mark. As previously mentioned, this is the minimum standard for quality programs while the best in the nation now track for 12 to 18 months. The second reason for the lack of data is that there are many service providers that are not offering retention services or are not documenting these services adequately. MOET and the Essex County WIB should work with the association of workforce providers to determine new approaches for post-employment follow-up activity and reporting mechanisms.

### **Local business skill needs and jobs survey**

The Newark WIB/ MOET, in collaboration with the Regional Business Partnership, the Newark Alliance and the Newark Economic Development Corporation (or its successor, if any), should conduct a labor market survey of companies operating in Newark to determine individual employment needs for the next 12 months and hiring requirements for entry level jobs and positions requiring advanced clerical and information technology skills. Survey should also include some baseline census data of their entry-level employees, including gender, race, residency, and education levels. This data would help to inform MOET and the proposed Association of workforce providers (service providers) about priorities for future skills and the most promising industry sectors for establishing employment relationships.

## COMMUNICATION, COLLABORATION, COORDINATION

### Findings

#### **Absence of a strategic plan linking economic, workforce and community development of the city**

Newark has written about its comprehensive Economic Development Strategy (CEDS) as one of its objectives, but it lacks an essential component of the plan that links economic, workforce, and community development as one seamless goal. A primary criterion for encouraging companies to relocate to a city is a proactive workforce development system committed to providing a qualified labor force that will provide value to the employers' bottom line. Therefore, in order for a city to grow, prosper and create employment opportunities for its residents, it must have an economic and workforce development master plan that is symbiotic and characterized by the 4Cs: *Continuously Communicating, Collaborating and Cooperating*. Key participants for these interactive relationships are businesses, the WIB, public agencies, residents, funders, and the NEDC (or whatever entity, if any, succeeds to its role in this area). At present then, while Newark promotes a "New Renaissance" for its downtown area, the initiative is not adequately connected to employment opportunities for local neighborhood residents.

**Communication gap among workforce and community stakeholders**

There is no communication infrastructure in place that effectively connects employers, training providers, nonprofit organizations, faith-based entities, neighborhood groups, the local school system, and the City Administration regarding training, employment and community issues.

**Recommendations****Temporary Workforce Action Group**

The primary purpose of this initiative is to inspire a new dialogue among the City Administration, the Newark business community, and the employment and training providers regarding the needs and skill requirements of employers and how service providers can collaborate with employers to hire and retain more local residents. This group should be able to use the results of the employer needs survey recommended above as a starting point for discussion. The group should be initially composed of decision makers from the major employers (Prudential, PS&G, Verizon, Bell Atlantic, Continental Airlines, Port Authority of NY-NJ, and UM&DNJ), The Newark Alliance and Regional Business Partnership, the Newark WIB, and representatives from the association of workforce providers and from the Newark Community Development Network. Initiative to form this group should stem from a collaboration that includes the City Administration, an influential member of the business community (who can champion the need for this kind of communication to occur), and a representative of the association of workforce providers. If the City chooses not to participate, principals from the “Landscape Assessment” coalition should take the lead to organize it in co-sponsorship with the business sector. The group should set short-term objectives, focusing on employer needs. Two examples:

- Encourage a large Newark-based company to collaborate with a service provider to create a six-month, “employment and retention” demonstration model focusing on local residents with barriers to employment. Utilize the Managed Work Services model to work with 5-10 entry-level new hires.
- Develop a set of job readiness standards designed by employers in collaboration with service providers.

**Business Roundtable**

The Newark WIB/MOET should take the initiative to host quarterly business roundtable discussions in collaboration with neighborhood service providers. The forum would be an excellent method for identifying employers’ needs, improving current relationships, and establishing new ones with business.

**Form regional WIB collaborations**

The Newark WIB/MOET should attempt to form information-sharing network relationships and collaborations with other regional WIBs, including Essex, Hudson, Union, and Bergen counties. These collaborations could be similar to the H-IB training grant partnership among the Newark and Morris/Sussex/Warren counties regional WIB, and the New Jersey Institute of Technology (NJIT).

### **“New Jobs for Newark “ Campaign**

An initiative organized and led by the City Administration, WIB, the business community, and an association of workforce providers to recruit, prepare, train, get and help retain jobs for 3,000 unemployed city residents within 36 months starting July 1, 2003 - 2006.

Seventy percent of jobs would be filled by residents with barriers to employment and who are either receiving welfare or general assistance; 30% of jobs would be for working poor or those who recently lost jobs due to layoffs, etc. Performance measures for the jobs campaign could be: placement of 75% referred; and 70% retention of those hired at 6 months.

## RESOURCE DEVELOPMENT

### Findings

#### **Lack of funding for workforce development programming**

Many of the challenges identified in this report could be, given the track record of many of the groups, successfully addressed if additional resources were available. It seems clear that important funding opportunities are being missed by the workforce system. A number of foundations, including The Prudential and Victoria Foundations, have historically been concerned with employment opportunity for Newark residents. Opportunities to leverage their past investments should be incorporated in any future resource development strategy.

### Recommendations

#### **Increase MOET staff training**

The City Administration, in collaboration with the Newark WIB, should seek funding to increase training for MOET and its One-Stop Career Center staff in all aspects of workforce development from client intake and assessment to job placement, and post employment follow-up. The WIB Chairman and senior staff of MOET could benefit by spending a day at the offices of The Workplace, Inc., Bridgeport, CT to discuss best practices in serving clients. The Workplace was voted the best Workforce Investment Board in the U.S. in 2001 by the National Alliance of Business, Washington, DC. (See Appendix V, Best Practices for contact info.)

#### **Dedicated workforce grants manager**

The Newark WIB should seek funding to create a dedicated position within MOET for a workforce grants manager. This manager would also have the responsibility for soliciting funds from the local business community to support the local workforce effort. If the City or the state cannot generate funding for such a position, an effort should be made to solicit the funds from a local foundation or a local employer. A grants manager should be able to pay for the cost of his/her salary by the additional federal and state workforce funding that the position should generate. The Workplace, Inc., the WIB for Southwestern Connecticut has received eight federal competitive grants in the past three years. That success can be attributed to the dedicated position of grants manager. (See Appendix V Best Practices)

**National Models**

Managed Work Services, ETI, Portland, Maine. Developed by a company in Maine, the model places an entry-level employee in a client company on a no-risk, temporary basis, and provides individualized training, on-site job coaching, and case management support to ensure that job requirements and goals are met. Retention percentage for the initial MWS employment model was more than 90%; the MWS provider averages 75-80% in job retention percentages. [See Appendix V, Best Practices]

**SECTORAL INITIATIVES****Findings****Limited Sectoral Initiatives in Newark**

With the exception of those mentioned, there are too few initiatives that attempt to create partnerships with large employers or companies in the same industry sector. The Newark WIB might want to consider efforts toward implementation of “sectoral” initiatives with specific industries. Those include information technology, healthcare and construction trades. Newark WIB/MOET already has the potential to create a sectoral initiative in the information technology sector through its H-IB-funded collaboration with the New Jersey Institute of Technology (NJIT) in a program called “Bridging the Gap.” The program offers on-site and distance-learning IT training to city residents including women, minorities, the under-employed and the disabled.

**School to work initiative**

The Newark Public School system should be applauded for its adoption of an academy system within the city’s 13 high schools that offers students instruction, and in some cases, certification in specific industry skills. The academy instruction includes courses in visual and performing arts, science and technology, law and teacher education, aerospace, pre-engineering, print and broadcast communication, business, health and nursing, and culinary arts and hospitality. The school system has developed partnerships with post-secondary institutions, business organizations, technology companies, and local service providers to offer training and development for teachers and students. In some cases, the partnerships have resulted in summer jobs for students who completed the training.

The missing link in this initiative is an effort to increase the number of relationships the school system has with local companies. Specifically, the school system needs to connect with companies with skill set needs that correlate to the specific academy training curriculum. A proactive and effective Workforce Investment Board and the City Administration could help the schools increase those business relationships that could result in more jobs for Newark high school graduates. For example, a partnership involving Essex County Construction Careers (sponsored by the New Jersey Institute for Social Justice) and several construction trade unions in the County resulted in the graduation of twenty-five students this past summer, six of whom passed the test for union apprenticeships. Some 315 students applied for the new construction apprenticeship training course scheduled to start in February 2002 and 50 are registered.

## Recommendations

### **Implement “sectoral employment” strategies and initiatives**

The term “sectoral employment” is the focus of an employment strategy on a specific industry or sector. It is also an approach to help entry-level, low-skilled workers gain skills and simultaneously advance up the career ladder. The Newark WIB, in collaboration with local service providers and/or the proposed association of workforce providers, should consider implementing or expanding sectoral initiatives in the following growth industries in Essex County and the City of Newark.

### **Construction trades**

Despite the current economic downturn, the employment growth in the construction trades in the city and the county is expected to be tremendous. That forecast is based on the \$1.6 billion Abbott School Construction funding to build 45 new schools and renovate 30 others as well as continued renovation and refurbishment of Newark’s downtown business area. The Newark WIB/MOET took the lead to convene a working group to respond to the State’s request for a proposal for a planning grant. The proposal, submitted in late November 2001, provided plans for recruitment, training and placement of adults and youth with the City. Further steps to be taken should include:

- Expanding the Essex County Construction Careers pre-apprenticeship program and a similar pre-apprenticeship program sponsored by the Newark Housing Authority.
- Identifying all other construction trade skill providers serving Newark residents (i.e., NCC, Essex County Vocational Technical schools, etc.) and form a working group to meet with unions and major construction company employers to determine the most effective method to meet construction company skill set needs.
- Identifying and benchmarking national best practices in construction trade training programs. (See Appendix V, Construction trades best practices in Dallas and Philadelphia).

### **Information Technology**

Regardless of the economic downturn, there will be a continuing need for workers with IT skills in all companies, including providers of IT services and users. Newark has the benefit of a world class IT training entity in the New Jersey Institute of Technology (NJIT) that it can use to provide and enhance the technology skills of local residents. Essex County College’s Training, Inc. is already engaged in a “sectoral” initiative to bridge the gap between low-income minority residents of Newark and the IT industry need for skilled workers. Training, Inc., is one of ten service providers across the U.S. that is participating in a three year “Sectoral Employment Initiative” funded by the Mott Foundation. The Newark WIB should use Training Inc. as a local model to replicate in creating its information technology sectoral initiative. Other recommended actions include:

- Forming employment and training collaboration with large, IT-user firms including: IDT, Prudential, Verizon, PS&G, and Horizon Blue Cross.
- Building on NJIT-HIB training grant to train entry-level minorities, women and disabled population. A new round of H-IB training money is now available from the U.S. Department of Labor.

**Findings and Recommendations** *continued*

- Identifying and benchmarking other national Best Practices in IT sectoral initiatives in addition to those of Training, Inc. and New Community Corporation.
- Seeking private and/or public sector funding (designate one of the new Abbott Schools) to create an Academy of Information Technology high school or expand the current Information Technology academy concept at Central H.S. Academy of Engineering. [See Appendix V Best Practice – Academy of Information Technology, Stamford, CT]

**Healthcare/hospital sector**

The healthcare/hospital/home care sector continues to be a high growth area in entry level jobs and career opportunities, particularly as the U.S. population ages. Newark has several major hospitals and a leading medical/dental teaching university (UMDNJ) that has constant entry-level job openings. The Public School System operates an academy of Health and Nursing at Weequaick High School that could be a source for young workers interested in pursuing a career in the health field. Recommendations for sectoral initiatives in this industry include:

- Formation and implementation of healthcare/hospital employment working group to include UMDNJ, all city hospitals, and nursing/elder care facilities, facilitated by Newark WIB/MOET. Purpose of group: to review local vendor healthcare training programs and to redesign programs to meet entry level and advanced healthcare sector needs. Review Essex County Vocational Technical School healthcare training programs for replication and expansion.
- Conduct skill needs audit of local hospitals, healthcare, home healthcare and elder care facilities.
- Newark WIB should meet with all service providers who specialize in healthcare sector needs and discuss strategies for expanding soft skill preparation and referrals of job seekers in this industry.
- Identify and benchmark national best practices in healthcare employment initiatives. Best practice: Jewish Vocational Services program, San Francisco.

**Expand local construction trade pre-apprenticeship and apprenticeship programs**

Local construction trade apprenticeship programs serving Newark residents should be expanded with funding possibly from the Abbott School Construction planning grant. One prototype is the Essex County Construction Careers initiative sponsored by the New Jersey Institute for Social Justice, and the Newark Public Housing Authority Apprenticeship effort. The Essex County initiative had 25 graduates from its initial summer pre-apprenticeship-training program. To date, six have successfully passed the exam for union apprenticeship in the construction trades and the balance took the admissions test in the spring, 2002. Fifty students registered for the apprenticeship training course that started in February 2002. The Housing Authority sponsored 20 residents to take the union apprenticeship-training program. Six of the 20 graduates passed the test for union apprenticeship. The other 14 will be provided additional training and tested again.

**School Construction**

Advocates should continue to lobby the State's Economic Development Authority to ensure that provisions and incentives for hiring local residents are developed and applied to the construction firms and their subcontractors who are chosen to participate in the Abbott School construction projects in the city.

Advocates should also make the effort to build a district level planning and implementation process that would involve local stakeholders to ensure the maximum possible use of local workers and contractors in the procedures, regulations, and practices governing this program.

### **First Source Ordinance Implementation**

First Source Ordinance advocates should continue to meet with the City Administration and the Newark WIB to discuss details of the process that would lead to implementation of the initiative, including a series of discussions with local businesses to gain their support and a firm deadline for announcing the go ahead.

### **Shortage of temporary employment agencies**

According to a state Department of Consumer Affairs, only nine of the 622 New Jersey non-health employment agencies operate in the city with only two of the major national “temp” agencies present. The University of Illinois Center for Urban Economic Development reports that nationally Newark ranks among the least concentrated urban markets for temporary employment agencies. This may be another indication of employer dissatisfaction with the quality of the labor force within the City. This private brokering weakness unfortunately parallels that of public brokering systems. A multi-year initiative led by Seton Hall University’s Institute on Work aims to increase the number and quality of temp to perm agencies serving Newark employers and job seekers.

## **BUSINESS CHALLENGES**

### **Findings**

#### **Missed opportunities to hire local residents by Newark employers**

There is little data to indicate that local businesses make a special effort to hire Newark residents for entry-level, low-skill positions. Some of the companies listed as members of the local Workforce Investment Board (WIB) conceded that they hire few local residents for unskilled positions. But they claim many of those seeking jobs are not qualified due to various barriers, including little or no work experience, criminal records, substance abuse, literacy deficits, or lack of soft skills.

#### **Negative stereotypes**

Employers need to be aware of the perception by many Newark job seekers that they are denied employment because of their residency or their race. Employers are encouraged to demonstrate to the local labor force that they are not influenced by negative stereotypes associated with the residents of poor urban neighborhoods in their hiring practices. Employers could begin to dispel that perception by communicating to local residents that they are interested in hiring job ready, qualified workers with positive attitudes who can demonstrate their value to the company.

## Recommendations

### **Dispel negative hiring perception**

Employers are encouraged to partner with local service providers to emphasize hiring of Newark residents for entry-level and higher positions. A well-publicized initiative should be undertaken by a group of major employers in Newark to dispel the perception by job seekers that they are denied employment due to their race and place of residence. Employers could work with employment and training providers to design a model for on-site internships of job seekers with serious barriers to employment. This should include internships for those with criminal records or individuals in recovery from substance abuse. These are the two most common barriers to employment for a large segment of Newark's residents.

### **Emphasize business case in service delivery model**

Newark workforce service providers need to improve the integration of a business model into the service delivery system. The focus of training, placement and post employment follow up should concentrate on employer needs as well as client needs. Often service providers concentrate on serving the needs of the job seeker and neglecting the employer. Serving business should be the focus of one of the first training workshops held by the proposed association of workforce providers. MOET should provide training for the operators of its One-Stop Career Centers that encourages case managers to emphasize the job candidate's value to company when they conduct an outreach rather than the person's need to work.

## WORKFORCE PROVIDER CAPACITY DEVELOPMENT

### Findings

#### **Lack of effective opportunities for workforce development entities to develop capacity**

Newark has several outstanding workforce development organizations delivering innovative programs rich in opportunities for both business and community clients. Leaders in these organizations recognize however the need to build capacity among their line staff, discover innovative best practices from around the country, find new resources, have an influence on the workforce system's public policies, and present a more visible face to potential clients. Several practitioners and agencies have made promising beginnings toward creating an "association of workforce providers" that could supply these needs, but none has fully taken hold. As a consequence, there are very limited opportunities in the region for training and technical assistance aimed at these organizations.

### Recommendations

#### **Develop an "association of workforce providers"**

An initial step toward improving the overall quality and consistency of workforce providers in the city should be the formation of an alliance of employment and training providers that includes nonprofit and for-profit providers, and the One-Stop Career Center operators. Elvy Vieira, manager of Essex County College's Training, Inc., has already begun to form the nucleus of a group of service providers and held an initial training workshop for nearly 30 staff members of local provider organizations. The size of this response reflects

the service providers' need for training in various aspects of workforce development issues. The Training, Inc. group could be the basis for a citywide employment collaborative. The value and benefits of a service provider group include:

- It can be a forum where service providers themselves can identify their strengths and challenges and then propose solutions. The fact that the service providers themselves take the lead in determining their service gaps and those of the system overall means that they have greater ownership of efforts to improve their performance (as opposed to being told what they need to do by an outside entity).
- It can be a platform for delivering training to enhance the effectiveness of all providers.
- It can be a network for sharing best practices, funding sources and relevant workforce data.
- And it can be a forum by which providers can speak with one collective voice and thereby generate needed changes in Newark's workforce system.

As noted above, the association of workforce providers could be built upon the foundation of the provider group that has been started by Elvy Vieira and Training, Inc. The association of workforce providers could then implement the following actions:

*Define Membership, Goals and Structure.* The association of workforce providers should meet to determine its mission and goals. (Again, we recommend these build on initial steps taken by the meetings chaired by Training, Inc.). The association should also determine what its initial membership should be and an initial structure of leadership. Given the limited resources of service providers, a neutral third party could also be helpful in providing administrative and other services to support the group.

*Hold monthly association meetings.* Provider groups who meet on a regular basis (monthly) receive greater value from the initiative and demonstrate a long-term commitment to it.

*Initiate a self-assessment of training/placement providers.* Members of the association can identify their training and development needs during monthly meetings. Members could also conduct a more detailed self-assessment to more systematically determine the specific workforce issues and approaches that need training and fine-tuning in order to improve their overall quality and consistency.

*Establish a schedule of provider training.* Using the results of the self-assessment data of its members, the association of workforce providers should begin to schedule specific training workshops for city providers to address the areas of greatest need. The training should include all aspects of workforce provider services ranging from intake and soft skills preparedness to employer outreach, job placement and retention services.

*Provide access to workforce intermediary expertise.* The association of workforce providers in collaboration with the Newark WIB and MOET should attempt to identify funding for staff to attend annual workforce development training conferences conducted by various national workforce intermediaries. Examples: Public/Private Ventures and The Enterprise Foundation who both hold annual conferences dealing with a comprehensive range of workforce issues.

*Develop one-on-one technical assistance strategy.* One of the most effective approaches to raising the knowledge and skill level of provider staff is the assignment of a trainer or workforce development expert to provide one-to-one TA to individual staff members. National intermediaries or workforce training agencies can provide this train-the-trainer approach and expertise. Another source of TA assistance could be the loan of local training provider staff with most experience and expertise in dealing with specific issue areas.

**Models for provider collaborative:** The Enterprise Foundation-sponsored Denver Employment Alliance (DEA); and Atlanta’s Georgia Alliance for Workforce Development (GAWD); and the Central Jersey Job Developers association (CJJDA). [See Appendix V, Best Practices, for contact information]

## GOVERNMENT CHALLENGES

### Findings

#### **Workforce Investment Board**

In interviews, WIB staff and members talked frankly about a desire to be more effective. Although resource constraints are real and there have been successes, there is considerable room for improvement. Board members are asking how the Board’s focus could be sharpened.

#### **Training vendor reimbursement issue**

According to the state WIA unified plan, accredited training vendors are paid in three installments: first payment five weeks after training commences; second payment after completion of training and placement; final payment after 90 days of retention. In reality, the voucher must be processed through the City payroll system, which takes anywhere from 60-90 days. Vendors generally do not get reimbursed until months after the students graduate from training.

### Recommendations

#### **Strengthen the Workforce Investment Board**

Its recent strategic planning sessions are an opportunity for the Board to reenergize its commitment to the employment community. With more training, WIB staff members could better manage their workforce initiatives. The WIB must develop important capacities if it is to play a leading role in driving the workforce development system to new levels of performance.

#### **Improve the payment system**

Newark WIB needs to improve the payment system with its training vendors. The Jersey City WIB has developed a more effective system. The Board has created it’s own nonprofit corporation to pay vendors. It is quicker, more efficient, and results in higher productivity of vendors.

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# Findings and Recommendations

## *Synopsis*

## Findings and Recommendations Synopsis

### Placement and Retention

#### Findings

1. TOO FEW TANF recipients are being placed in jobs
2. RETENTION SERVICES are weak where placements are made
3. CRITICAL SERVICE POPULATIONS – ex-offenders and substance abusers are not effectively served
4. LITERACY ISSUES CHALLENGE many adults and youth
5. TRANSPORTATION BARRIERS impede many job seekers
6. CHILD CARE resource shortages hamper many in Newark

#### Recommendations

1. FOCUS ON increasing TANF job placements
2. PRIORITIZE follow-up and retention services by service providers
3. ESTABLISH a best practice-based retention demonstration project
4. DEVELOP a coordinated strategy to serve special needs populations
5. EXPAND literacy support efforts

### Data and Information

#### Findings

1. WIA RETENTION data has not be adequately collected
2. THERE IS NO current labor market needs survey

#### Recommendations

1. COLLECT RELIABLE data for placement and retention
2. CONDUCT BUSINESS skill needs and employment forecasts

## Communication, Collaboration, Coordination

### **Findings**

1. NO CURRENT STRATEGIC PLAN effectively links economic, workforce and community development in the city
2. KEY STAKEHOLDERS are not communicating effectively

### **Recommendations**

1. COMPOSE A TEMPORARY “Workforce Action Group” among key stakeholders to focus on specific issues
2. CREATE A QUARTERLY “Business Roundtable”
3. FORM REGIONAL WIB collaborations
4. LAUNCH a “New Jobs for Newark” Campaign

## Resource Development

### **Findings**

1. MORE FUNDING for workforce development programming is needed

### **Recommendations**

1. INCREASE MOET Staff training
2. CREATE A POSITION for a grants manager dedicated to workforce development

## Sectoral Initiatives

### **Findings**

1. NEWARK HAS too few sectoral initiatives
2. THE “SCHOOL TO WORK” initiative is exemplary

### **Recommendations**

1. IMPLEMENT sectoral initiatives in targeted industries – construction trades (especially schools), information technology, and health care
2. IMPLEMENT the city’s 1st Source Ordinance
3. EXPLORE opportunities to increase the number of temporary employment agencies in Newark

## Business Challenges

### **Findings**

1. TOO FEW Newark residents are hired by Newark businesses
2. NEGATIVE STEREOTYPES inhibit hiring Newark workers

### **Recommendations**

1. ENCOURAGE businesses to take a fresh look at Newark residents as employees
2. EMPHASIZE the business model in workforce development

## Workforce Provider Capacity Development

### **Findings**

1. THERE ARE too few opportunities for workforce providers to improve

### **Recommendations**

1. DEVELOP a programmatically active association of workforce providers

## Government Challenges

### **Findings**

1. THE WIB is not effectively constituted
2. TRAINING vendors are not paid timely

### **Recommendations**

1. STRENGTHEN the WIB
2. IMPROVE the payment system

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# Conclusions

**Conclusions**

The cautionary message inherent in the transition from the federal Jobs Training Partnership Act (JTPA) to the new Workforce Investment Act (WIA) is the challenge for states, cities, nonprofit community organizations, and job seekers to accomplish more with less – to provide more service to job seekers with fewer federal funds. This type of effort requires local WIB areas to utilize economies of scale, to demonstrate leadership to forge effective collaborations between the public and private sectors, and to encourage active participation in the local workforce system by businesses, one of the system's primary customers.

In contrast to other cities of its size and diversity, Newark boasts all of the ingredients needed to deliver comprehensive training and employment services for employers seeking job ready workers and citizens looking for good jobs and career opportunities. The city has a loyal and active business community that has demonstrated its commitment to the Newark's economic revival and expanded development. However, it is clear that the business community has not been the resource that it can be in hiring local minority residents, many of who have multiple barriers to getting and keeping a job. The city and the quality of its workforce system bear some responsibility for this missed opportunity. Among the assets needed to take advantage of employment opportunities are Newark's committed community organizations, which represent all ethnic groups across its 21 neighborhoods. Most importantly, Newark has several effective service providers who have an excellent track record of delivering marketable training skills and employment opportunities to low income and entry-level workers. Nevertheless, there remain substantial segments of the population as well as neighborhoods that have not yet participated in or benefited from Newark's economic renaissance. In pulling together, Newark stakeholders will do much to pull the entire city toward a more just and prosperous future.

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# Appendices

## Appendices

Appendix I. NJDOL letter re WIA and TANF outcomes for Newark WIBs and region – see attached

Appendix II. Newark WIB outcomes for PY2000-2001 re ITA training vouchers – see attached

Appendix III. Landscape Assessment interviews

### Interviews conducted:

(Institutional identification current at time of interview)

Diane Sterner, Housing & Community Development Network of NJ  
Lucy Voorhoeve, Housing & Community Development Network of NJ  
Ellen Brown, NJ Institute for Social Justice  
Gerry Harvey, Newark Community Development Network, Crest CDC  
Janice Pointer, NJDOL, Division of Employment & Training  
Donald Forsythe, NJDOL, Division of Employment & Training  
Ray Martinetti, NJDOL, Division of Employment & Training  
Daniel Akwei, Newark WIB/MOET  
Ayirebi Asante, MOET/One-Stop Career Centers  
Anna Groves, MOET  
Caroline Wallace, International Youth Organization/ WIA Youth Council  
Joe Bordo, Catholic Community Services  
Mary Darden, Council for Airport Opportunity  
Richard Popovic, Regional Business Partnership  
John Petillo, The Newark Alliance.  
Dale Caldwell, formerly of The Newark Alliance  
Rebecca Doggett, Essex County Construction Careers  
Mary Puryear, The Prudential Foundation  
Dan Schulgasser, City of Newark  
Joel Freiser, Newark Economic Development Corporation  
Joe Della Fave, Ironbound Community Center  
Elvy Vieira, Training Inc/Essex County College  
Bert Shockley, Training Inc/ Essex County College  
Carol Ford, Union County WIB  
Bob Ewing, Union County WIB  
Anthony Corsi, Hudson County WIB  
Jeff Bertrand, Essex County WIB  
Barrie Peterson, Seton Hall University/ Institute on Work  
Robin Gwatchney, Heldrich Center, Rutgers University  
Fleeta Barnes, First Union National Bank/Newark WIB (chairman)  
Gail Davis, PS&G  
Dr. Robert Noonan, Essex County Vocational Technical Schools  
Dr. Robert Johnson, University Medicine & Dentistry of NJ/ Newark WIB member  
Ernestine Watson, Special Vendor Programs, UMDNJ  
Pat Cooper, New Community Corporation  
Ray Ocasio, La Casa de Don Pedro

Carlos Mercado, La Casa de Don Pedro  
Sarah Conrad, Retail Skills Training Center, Jersey Gardens Mall  
Ron Rubin, New Jersey Institute of Technology, Div. of Continuing Professional Ed.  
Alice Hayes, New Jersey Institute of Technology, Div. of Continuing Ed.  
Charles Bell, Newark Housing Authority  
Ralph Ciallella, New Business Training Institute/ Newark WIB member  
David Stephens, The Urban League of Essex County  
Dan Passarella, Target Training Center  
Wanda Rodriguez, FOCUS  
Melvin Rubin, The Leaguers  
Mike Farley, Unified Vailsburg Services Organization  
Elsie Stevenson, Unified Vailsburg Services Organization  
Ernest Williams, New Jersey Transit/Newark WIB member  
Joe Allen, New Jersey Transit  
Harold Lucas, City of Newark  
Sandi Accommando, Apostles House/St. James CDC  
Donna Taaffe, Programs for Parents  
Veronica Taylor, Offender Aid & Restoration of Essex County, Inc.

**Interviews unable to be scheduled:**

Robert Graham, Newark Housing Authority  
Norma Gonzalez, CareerWorks, Inc.  
Clarence Bone, AlphaTrain  
Lula Linder, AdHouse  
Rocco Meola, First Occupational Center of NJ  
Veronica Ray, The Leaguers  
Janet Evans, Port Authority of NY& NJ

**Appendix IV. Newark Workforce Investment Board members, as of 7/19/2000\***

Fleeta Barnes, First Union National Bank (Chairperson)  
Janet Evans, Port Authority NY&NJ  
Ernest Williams, NJ Transit  
Dr. Robert Johnson, UMDNJ  
Maurice Brown, Bell Atlantic  
Jasmine LaRue, St. Barnabas Hospital  
Samuel Crane, Regional Business Partnership  
Donald Viagree, Cablevision  
Robert Graham, Newark Housing Authority  
Gabriella Morris, The Prudential Foundation  
Daniel Estran, Burger King  
Keith DeCosta, No Barriers Home Health Care Services  
Ed Quinn, Worldwide Education Services  
Lloyd Dowdell, The Millenium Project

**Appendices** *continued*

Gail Davis, PSE&G  
Rebecca Doggett, Newark Public Schools  
Diane Scott, Juvenile Intensive Supervision Program  
Vincent Hays, Gateway Academy NPS  
Rebecca Shulman, NJDOL Division of Vocational Rehabilitation  
Thomas Caldwell, NJDOL Employment Services  
Veronica Ray, The Leaguers  
Joseph Della Fave, Ironbound Community Center  
Lula Linder, Ad House  
Marian Bolden, Newark Public Schools  
Dr. Zachary Yamba, Essex County College  
Dr. Robert Noonan, Essex County Vocational Technical Schools  
Faheem Fa'oof, Urban League of Essex County  
Brenda Jiminez, United Way of Essex County  
Larry Bembry, Newark Fighting Back Partnership  
Catherine Cuomo-CeCere, Department of Health & Human Services  
Martha Bahamon, United Way of Essex County  
Joel Freizer, Newark Economic Development Corporation  
Norma Gonzalez, CareerWorks, Inc  
Andralyn Johnson, Newark Public Schools  
Charles Lavallo, Essex County College  
Marko Lockhart, NJ Community in Schools  
Ralph Ciallalla, North Ward Center  
Wendy Oldham, National Black United Fund  
Patrick Tully, International Union Local 832  
Christianne Gabriello, PSE&G  
Lynal Robinson, Local Union 825  
Howard Scott, Twin Vision Weekly  
Marizo Torres Faks, Impacto 2000  
Allen Byron, OPEIU Local #32 AFL-CIO  
Malachia Brantley Sr., Brantley Brothers Moving & Storage  
Dr. Henry Johnson, City News Publishing  
John Archie, Archie's Contracting Company  
Carlos Gonzalez, Esq., Attorney-at-law  
Angel Nieves, A-Plus computers  
Rich Popovic, Regional Business Partnership  
Carolyn Wallace, International Youth Organization

\* This was the most current member list available.

## Appendix V. Best practice models of relevant workforce development issues and resources/reports

### **Local Workforce best practices**

*Newark service providers.* There are several local programs that could be used as effective training and employment models. They include: Training Inc., New Community Corporation, Catholic Community Services, Newark Business Training Institute, and La Casa de Don Pedro.

*Bergen County (NJ) Post-TANF Wrap-Around Fund.* An increasing number of TANF recipients are no longer receiving cash assistance because they have become permanently employed, but are still in low paying jobs that make it difficult to survive and often lead to their return to cash assistance. Bergen County has provided funds to the Board of Social Services to provide assistance to families to help former recipients retain employment and move towards self-sufficiency. The assistance includes: sick child care; car repair and car insurance; transportation to and from place of work; temporary motel placement when homelessness occurs due to natural disaster; security deposit/moving expenses for families who receive Section 8 housing certificate but must move because their current housing does not meet HUD requirements; and retroactive utility expenses for two months.

### **National**

Below are several programs that successfully serve adults with ex-offender and substance abuse issues, focus on noncustodial fathers, and provide an emphasis on retention strategies to help low income, low skilled workers make the transition to self-sufficiency and sustainable career paths. In addition, there is a model of a Workforce Investment Board that was recently named Workforce Investment Board of 2001 by the National Alliance of Business, (NAB) a leading business organization in Washington, DC.

*Center for Employment Opportunities (CEO).* The mission of CEO is to provide immediate, comprehensive and effective employment services for men and women returning from prison and other ex-offenders under community supervision. CEO was created as a demonstration project by the Vera Institute of Justice in the late 1970s and spun off from Vera in 1996 as a stand-alone nonprofit corporation. CEO works exclusively with nonviolent 3-time offenders in the five boroughs of New York City. CEO served 1,520 persons in 1999 and found full time jobs for 839. Post placement retention at 6 months was 319. CEO is also engaged in a Fathers at Work initiative that is designed to increase wages, career advancement opportunities and parental engagement among 100 noncustodial fathers each year. **Contact: Mindy Tarlow, Executive Director. 212-422-4850.**

*Binding Together, Inc. (BTI).* BTI was initially established in 1987 with funds from the New York State Division of Substance Abuse Services to provide job training and employment services to formerly homeless men and women in recovery from substance abuse. Today, the majority of participants in BTI's program are recovering substance abusers and or ex-offenders. BTI provides skill training for employment in the commercial reprographic, printing, and copying industry. Since its inception, BTI has graduated over 775 students and placed them in jobs with average starting salaries of at least \$8.00 an hour. Some graduates earn as much as \$40,000 per year after a few years working in the industry. BTI provides a unique blend of soft skills, hard skills training, and extensive post placement support for up to two years. **Contact: Ivan Braun, Operations manager. 212-334-9400.**

*Georgia Fatherhood Program.* The program is an effort by the Georgia Office of Child Support Enforcement to enable non-custodial low-income parents to pay child support and play an active role in the lives of their children. The program provides jobs skills training, placement, the opportunity to earn a GED, counseling and fatherhood skills. The program has a contract with the Georgia Department of Technical and Adult Education to provide training and services at the State's technical institutions in heating and air

conditioning repair, welding, computer repair, automotive repair, carpentry and appliance repair. Courses include soft skills. More than 500 noncustodial parents completed the training by the end of 1999 and another 3,600 are expected to receive services. Number of graduates who are employed – 80%; number of noncustodial parents who are now paying child support – 80%. **Contact: Frances Barry, State Fatherhood Manager. 912-430-4346.**

### **Local Service Provider model organizations**

*Central Jersey Job Developers Assn. (CJJDA), New Brunswick, NJ.* The group is 20 years old and consists of service providers, local employers, and local WIB representatives. They meet monthly to share and network about various employment and training issues. Agenda always provides a professional development period dealing with some workforce development issue. Group has a mailing list of 200 with a monthly participation of at least 40 members. **Contact: Dorna Silverman. 732-745-5300, ext. 4201.**

*Denver Employment Alliance (DEA), Denver, CO.* Founded by The Enterprise Foundation in 1998, the 30 member employment and training service provider collaborative serves as a collective voice for community-based nonprofits involved in all aspects of the local workforce system and has become a single point of contact for businesses, funders, and workforce policy-making agencies in Denver. **Contact: Lisa Goldberg. 303-573-1571.**

*Georgia Alliance for Workforce Development (GAWD), Atlanta, GA.* Also founded by The Enterprise Foundation in 1998, the Alliance represents every community service provider and public workforce agency in the metro Atlanta area. The group meets quarterly to provide networking and best practice data on various aspects of workforce activities. It also sponsors several job fairs each year for entry level, low skill job seekers, and holds professional development workshops on a variety of workforce topics. The Commissioner of the State Department of Labor was a recent speaker at one of the Alliance's meetings. **Contact: Carol Crowell. 404-523-6060.**

### **Retention programs**

*Moving Up.* Operated by the Vocational Foundation, Inc. (VFI), a 30-year-old nonprofit in New York City, Moving Up serves one of the most difficult populations – out of school, minority youth, ages 17-20. With a graduation rate of 87%, the program – a 5 month course of remedial math and reading, computer instruction, GED preparation and job readiness training – achieves a placement rate of 78%, of whom 85% are still working or enrolled in postsecondary education a year later. The critical factor in Moving Up's success with job retention appears to be that is not a separate "follow-up" program but a fully integrated element of VFI's whole employment strategy. **Contact: Mark Elliott. 212-822-2402.**

*GAPS Initiative.* The Allegheny County (PA) Assistance Office developed the GAPS program, an employment retention initiative that provides case management and other support services for employed Allegheny county welfare recipients. It began in September 1997 and served participants for a three-year period. Outcomes of the program indicated that of the 467 participants, 87% were employed and 82% were still working 18 months later. Two of the four service providers required case managers to be on call (with beepers) 24 hours a day, 7 days a week, a key factor in the program success. **Contact: Robert Wood. 609-799-3535.**

### **Workforce Investment Board model**

*The Workplace, Bridgeport, CT.* The Workplace, Southwestern Connecticut's Regional WIB was recently named Workforce Investment Board of the Year by the National Alliance of Business (NAB), a leading national business organization in Washington, D. C. The 30 person staff Workplace serves 20 communities in southwestern Connecticut with a population of 800,000. The key to The Workplace's success is its market-driven programs and support of its business community. The Workplace is aggressive in securing funding to support crucial services for workers and employers in its region. Within a recent three-year period, it has received eight federal competitive grants funded by the USDOL and the U.S. Environmental Protection Agency in addition to formula and grants support. Forty three percent of its funding in 2000-2001 consisted of non-formula WIA funding, including \$3.3 million from 32 companies and foundations which do business in or are located in the region. On customer service surveys, the CT Works Centers, the Workplace's One-Stop Career Centers, consistently rates in the 90th percentile for satisfaction from job seekers and employers. **Contact: Joe Carbone. 203-576-7030.**

### **Local neighborhood collaborative model**

*LINC (Local Investment Commission), Kansas City, MO.* LINC is a 36-member citizen collaborative involved in efforts to create employment opportunities for its welfare recipients and working poor. It accomplishes that by working to create new businesses in the downtown areas and to improve delivery of human services for all families and children in Kansas City and Jackson County. LINC was instrumental in administering a concept known as Comprehensive Neighborhood Services in Jackson County, which later became known as "Caring Communities" or Community Partnerships. LINC is the point organization that works with four state agencies to achieve better results for children and families through more effective and accessible programs, local decision-making, and more flexible financing. LINC is involved in other community efforts and partnerships involving issues such as aging, health care, housing, school-linked services, and business development. **Contact: Gayle Hobbs. 816-889-5050.**

### **County-wide Workforce Provider Computer Network**

*The Tarrant County, TX Workforce Development Board* applied for and obtained welfare-to-work competitive funds to create a wide-area computer network (WAN) that offers community service providers access to a common set of data about individuals served, services received, and services available. Another innovative feature is a social marketing effort, through the network, to determine why low income individuals do not utilize available services or participate in programs designed to assist them in becoming self-sufficient. **Contact: Kay Gollihugh, WtW Specialist. 817-531-6760.**

### **National soft skills/behavioral training**

*STRIVE Central, NYC.* Born in a Harlem church basement 13 years ago, STRIVE is one of the most effective national employment programs providing attitudinal training and post-placement support. Since 1990, STRIVE has placed about 14,000 people in jobs at a cost of \$1,500 per graduate. Unlike most employment programs, STRIVE boasts an 80% retention rate for placements still working two years after graduation. STRIVE receives the vast majority of its funding from the private sector including corporations and foundations. Recently, STRIVE started a five-day, train the trainer academy for service providers who want to learn from their experiences and approach. **Contact: Joana Vicioso. 212-360-1100. [www.strivecentral.com](http://www.strivecentral.com).**

**Best practices resources/reports**

“Keeping Competitive: A Report from a Survey of 1,800 Employers. A U.S. Chamber of Commerce report on hiring training and retaining qualified workers.” Center for Workforce Preparation, [www.usworkforce.org](http://www.usworkforce.org). September 2001.

“Getting in, Staying On, Moving Up: A Practitioner’s Approach to Employment Retention.” Tony Proscio and Mark Elliott. Public/Private Ventures, 212-822-2400. 2000.

“Promoting Employment Retention Among TANF Recipients: Lessons from the GAPS Initiative.” Robert G. Wood and Diane Paulsell. Mathematica Policy Research. 609-799-3535. December 2000.

“Retaining Low-income Residents in the Workforce: Lessons from the Annie E. Casey Jobs Initiative.” Bob Giloth and Susan Gewirtz. Annie E. Casey Foundation. 410-547-6600. April 2000.

“Sustained Employment and Earnings Growth: New Experimental Evidence on Financial Work Incentives and Pre-Employment Services.” Charles Michalopoulos. Manpower Demonstration Research Corporation. 212-340-4440. Spring 2001.

“Beyond Work First: How to Help Hard-to-Employ Individuals Get Jobs and Succeed in the Workforce.” Amy Brown. Manpower Demonstration Research Corp. 212-340-4440. April 2001.

“Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce.” Julie Strawn and Karen Martinson. Manpower Demonstration Research Corp. 212-340-4440. June 2000.

“Using Incentives to Promote Job Retention and Advancement: Guidance from the Performance Improvement Industry.” Heather Hill and LaDonna Pavetti. Mathematica Policy Research Inc., 202-484-9220. May 2000.

“Delivering Employment Retention and Advancement Services: A Process Study of Iowa’s Post-employment Pilot Program.” Heather Hill, et al. Mathematica Policy Research Inc., 202-484-9220. May 2001.

“Gearing Up: An Interim Report on the Sectoral Employment Initiative.” Mark Elliot, et al. Public/Private Ventures. 212-822-2400. August 2001.

## Appendix VI. Workforce Development resources/national intermediaries

Public/Private Ventures, 122 East 42nd St., New York, NY 10168. 212-822-2400.

The Center for Law and Social Policy, 1616 P St., NW, Washington, DC 20036. 202-328-5140.

The Enterprise Foundation, 10227 Wincopin Circle, Columbia, MD 21044. Patrick Jackson, Director, Employment programs. 410-772-2751.

Manpower Demonstration Research Corp., 16 E. 34 St., NY, NY 10016. 212-532-3200.

The Urban Institute, 2100 M St., NW., Washington, DC 20037. 202-833-7200.

Mathematica Policy Research, Inc. P.O. Box 2393, Princeton, NJ 08543. 609-799-3535.